

2011/12

ANNUAL REPORT



GREATER TZANEEN MUNICIPALITY

OFFICE OF THE MUNICIPAL MANAGER

Civic Centre

Agatha Street

Tzaneen

Contact no: 015-307 8000

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LIST OF ABBREVIATIONS

ABET	Adult Basic Education and Training
AFS	Annual Financial Statements
APR	Annual Performance Report
BDS	Blue Drop Status
CBO	Community Based Organisation
CCMA	Council for Conciliation, Mediation and Arbitration
CDW	Community Development Worker
CFO	Chief Financial Officer
COGHSTA	Department of Cooperative Governance, Housing, Settlements and Traditional Affairs
COIDA	Compensation for Injury Act
CPMD	Certificate Programme in Management Development
DEAT	Department of Environmental Affairs and Tourism
DLTC	Driver License Testing Centre
DoC	Drop off Centre (waste)
DSAC	Department of Sports, Arts and Culture
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
GAMAP	Generally Accepted Municipal Account Principles
GTEDA	Greater Tzaneen Economic Development Agency
GTM	Greater Tzaneen Municipality
GRAP	Generally Recognised Accounting Principles
HIV	Human Immunodeficiency Virus
IDP	Integrated Development Plan

Contents

KPI	Key Performance Indicator
LED	Local Economic Development
LTA	Local Tourism Association
MDM	Mopani District Municipality
MEC	Member of the Executive Committee
MFMA	Municipal Finance Management Act
MFMP	Municipal Finance Management Programme
MIG	Municipal Infrastructure Grant
MPAC	Municipal Public Accounts Committee
MSA	Municipal Systems Act
NDPG	Neighbourhood Development Partnership Grant
NERSA	National Energy Regulator of South Africa
NGO	Non Governmental Organisation
NMC	National Moderation Committee
NYDA	National Youth Development Agency
OHS	Occupational Health and Safety
PA	Personal Assistant
PMS	Performance Management System
PrDP	Professional Drivers Permit
PTH	Personal to Holder
RDP	Reconstruction and Development Programme
SAIMSA	Southern African Inter Municipal Sport Association
SALGA	South African Local Government Association
SALGBC	South African Local Government Bargaining Council
SANS	South African National Standards

Contents

SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
VIP	Ventilated Improved Pit (toilet)
WACCA	Wage Curve Collective Agreement
WSA	Water Service Authority
WSP	Water Service Provider
YGD	Youth Gender and Disability (Programme/ office)

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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

It gives me a great pleasure to introduce the Greater Tzaneen Municipality Annual report for the 2011/12 financial year, beginning with applauding the great achievements of our learners who achieved outstanding matric result this year. We are moving to the national government election next year 2014, so we need to work hard to continue maintaining the optimal level of service delivery to our communities and stake holders. Having noted the 2009 Cabinet approval of Turnaround Strategy for Local government ,we have strategically positioned and aligned all our plans according to the key elements of the strategic plan namely;



- Ensure that we strive to meet basic needs of communities;
- Build clean, responsive and accountable administrative systems;
- Improve functionality, performance and professionalism of our staff; and
- Strengthening partnership with our communities and the private sector.

In compliance with the above strategic alignment, as well as our revised Integrated Development Plan , we strive once again in this under review year to remain a municipality of excellence by providing the best possible service and making Greater Tzaneen Municipality a choice of investors and residents alike. We will continue to respond to the execution our projects and outstanding road projects which will make our town clean and the best town in Limpopo. Our customers need quality service so that they can pay these services with a smile. Our customers now are able to pay with debit and credit cards for their bills at various internal and external pay points. We also have a fixed prioritised programme to change and improve our roads from gravel to tar through MIG and own counter funding.

Of significance is also the fact that during the IDP, Budget and PMS Strategic Planning workshop held during January 2012 and re-affirmed in August 2012, we conceptualized a Vision 2030 that seeks to turn Tzaneen into a City. Vision 2030 will positively impact on the provision of quality and sustainable services such as household water, electricity, houses, sanitation, environmental and waste

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management, the tarring of all gravel roads and economic development for our urban and rural areas within our municipality. It is indeed an ambitious plan that require our people, NGO's, private sector and all spheres of governance to come on board to ensure the realization of our Vision 2030. The work towards the development of a comprehensive plan has started and we believe the Special Council of May 2013 will approve the Blue Print to ensure that we start implementation as a matter of urgency.

In conclusion, I wish to indicate that in our attempt to achieve excellence in all spheres of service delivery, the Municipality is steadily moving towards fulfilling the dream of developing and adopting a long term socio-economic development of becoming one of the cities of SOUTH AFRICA. While we are aware of the challenges we still need to face, we can optimistically strive to achieve our goals, given the support and dedication of our communities and employees.

I wish to thank all the residents, stake holders and partners of the Greater Tzaneen Municipality for their ongoing support and faith in us and express the wish that we will grow from strength to strength. Lastly it is trusted that Bafana Bafana will do well in hosting and lifting the African nation's cup this year.

Mayor

Cllr. DJ Mmetle

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COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

Greater Tzaneen Municipality has throughout the years strived to ensure that the communities residing within its boundaries have access to sustainable basic services, 2011/12 was no exception. GTM has succeeded during this financial year to move away from a position of financial recovery. Even though the municipality received a disclaimer on its Annual Financial Statements for the financial year, the cashflow has been restored to acceptable levels.

In terms of service delivery initiatives GTM can be proud to say that we have managed to:

- Retain Blue Drop Certification for our water
- Improved on the quality of our waste water, in an effort to achieve Green Drop Status for our purification plants
- Purchase 2 graders to assist with the maintenance of gravel roads
- Provide uninterrupted kerbside waste removal services in the 5 formal towns
- Maintain all parks and open spaces in the 5 formal towns
- Monitor the quality of food sold to the public by doing regular inspections at all food-handling premises
- Maintain all formal cemeteries
- Facilitated the creation of more than 4300 job opportunities through various initiatives such as the GTED, LED unit, CWP & EPWP

The details regarding the financial situation of GTM as well as the performance on service delivery objectives will be discussed in detail in the report that follows.

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1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

Greater Tzaneen Municipality has functions bestowed upon it by the Constitution of the Republic of South Africa (Act no 108 of 1996). Our functions are amongst others as follows:

- As a water service provider, the authority being Mopani District Municipality, Greater Tzaneen Municipality provides water through tankers to villages and areas where there is a shortage. The municipality also assist with the refurbishment of boreholes in order to provide water to communities.
- The municipality also provides refuse removal services.
- Provision of electricity.
- Provision of sanitation, in partnership with Mopani District Municipality.
- Provision of road and storm water infrastructure.
- Considering building plans and town planning applications

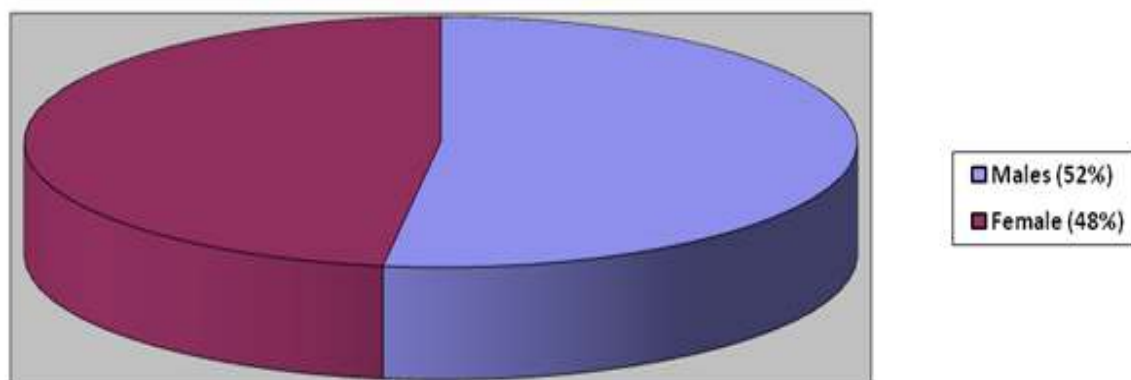
According to the Statistics South Africa (Census 2011), the Greater Tzaneen Municipality has increased its population from 375 588 to 390, 092 (an increase of 14 504) comprising of 181 558 males (Census 2001, 171 119) and 208 536 females (Census 2001, 204 469). Females still outnumber males as they comprise 53% of the population (54% during Census 2001). Young people between the ages of 14 – 35 constitute 40% (156 900) of the total population of the municipality (See **Table 1**).

Table 1: GTM Population by gender and age						
	2001			2011		
Age Group	Male	Female	% of Total	Male	Female	% of Total
Age 0-4	19086	19489	10.3%	24007	24002	13%
Age 5-9	23135	23624	12.4%	18877	18989	10%
Age 10-19	48442	49172	26.0%	40526	39299	21%
Age 20-29	29315	35811	17.3%	35280	37141	19%
Age 30-39	19388	28009	12.6%	20795	26950	13%
Age 40-49	13766	19780	8.9%	15236	22583	10%
Age 50-59	9142	10854	5.3%	10241	14761	7%
Age 60-69	4892	8936	3.7%	6220	8763	4%
Age 70-79	3956	8784	3.4%	2856	6335	2.4%
Total	171122	204459	100%	174038	198823	100%

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The graph below, Figure 1, represents the gender heads of households within the municipality. According to the Statistics South Africa Census 2011, the municipality comprises of 108 926 households (Stats Census 2001, 89,831), this represents an increase of 19 092. Males constitute 56,884 of heads of households whereas female constitute 52 052. The above information shows a move in the of gender heads of households to males from females.

Figure 1: Household heads by gender, 2011



Source: Stats SA Census 2011

Table 2: Socio Economic status 2008-2011						
Year	Housing backlog as proportion of current demand	Unemployment rate	% of Households with no income	% of Population in low-skilled employment	HIV/AIDS prevalence	Illiteracy rate for people older than 14
2008	14 101	20%	29%	Not known	13.00%	Not known
2009	14 145	20%	29%	Not known	28.50%	Not known
2010	13 688	20%	29%	Not known	Not known	Not known
2011	12 590	20%	29%	Not known	Not known	Not known

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Table 3: Overview of the Towns and Villages within Greater Tzaneen Municipality

Settlement Type	Households	Population
Towns: (Tzaneen, Letsitele, Lenyenye, Nkowankowa & Haenertsburg)	16433	65734
Villages		
Total of 131 villages	63 468	317 344
Informal settlements	0	0
Total	79 901	383 078

Table 4: Natural Resources in Greater Tzaneen municipal area

Major Natural Resource	Relevance to the Community
Land	Agricultural development Mining and quarrying Property development Grazing land for domestic and wild animals
Rivers, waterfalls and dams	Water for agriculture Human consumption Tourism development/promotion
Forests	Manufacturing/sawmills Improve biodiversity and biosphere Soil conservation
Nature Reserves	Environmental management Improvement of the eco-system Preservation of indigenous species and animals Tourism

1.3. SERVICE DELIVERY OVERVIEW

Greater Tzaneen Municipality has a responsibility to provide services to its people. During the 2011/2012 financial year, projects aimed at improving the lives of the local people were implemented in various wards and the municipality; these are presented in Table 5.

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Table 5: Service delivery initiatives 2011/12

Service	Activities
1. Water	<ul style="list-style-type: none"> ✓ An average of 94 villages supplied with water through tankers ✓ More than 75% of the schools in rural areas supplied with water through tankers ✓ 82 new water meters installed ✓ 676 burst water pipes reported and attended ✓ 2000 stands in Dan Village received sewer distribution network
2. Sanitation	<ul style="list-style-type: none"> ✓ 1211 sewer blockages attended ✓ 1 835 m3 of sewer influent treated at Tzaneen wastewater works ✓ 2000 houses at Dan Village reticulated with sewer ✓ 1854 households benefitted from VIP's (this include 36 special VIP for disabled people) ✓ 1200 stands in Tzaneen Extension 70 and 78 were reticulated with water and sewer
3. Electricity	<ul style="list-style-type: none"> ✓ Strategic lightings installed in the following areas <ul style="list-style-type: none"> • Politsi ✓ For the financial year 2011/12, 1949 households received electricity connections. The following villages benefited:- <ul style="list-style-type: none"> • Burgersdorp Village 145 Units • Lenyenye Village 105 Units • Mogapeng Village 86 Units • Mokgolobotho Village 936 Units • Ramotshinyadi Village 523 Units • Serare Village 154 Units
4. Roads and Storm water	<ul style="list-style-type: none"> ✓ 1824 km of internal streets in villages were graded ✓ 92.4 km of internal streets regavelled ✓ Small bridges constructed in Rikhotso and Morapalala ✓ Tar patches done in Tzaneen town and all townships ✓ 1735 m2 sidewalks paved ✓ Servitude roads graded in farms ✓ Stone pitching completed in Petanenge, Relela, Nkowankowa, Bulamahlo, Leseka, Dan and Moime
5. Fleet Management	<ul style="list-style-type: none"> ✓ A total of 101 vehicles consisting of vehicles, sedan, LDV's and trucks were procured successfully. ✓ Additional Regravelling earthmoving equipment were also purchased consisting of 4 tipper trucks, 2 roller compactors, 2 water tankers, and 2 TLB's ✓ A total of 34.3 million was used to procure all the vehicle and equipment listed above.
6. Waste Management	<ul style="list-style-type: none"> ✓ Waste Minimization: Presently provided in all towns and townships ✓ Composting: Presently all organic waste is treated at a basic technology composting site
7. Building and Maintenance	<ul style="list-style-type: none"> ✓ A total budget of R 400 000 was used to do emergency maintenance that was not planned for to meet OHS requirements. ✓ All smoke detectors in all municipal buildings and fire extinguishers were serviced to a total of R 150 000 to comply to OHS act ✓ Various planned maintenance was carried out in all municipal buildings to the cost of R 600 000 ✓ A budget of R 200 000 was used to maintain public toilets including the commissioning of Lenyenye public toilet.
8. Land, Property and Housing	<p>Registration of Houses to Owners</p> <ul style="list-style-type: none"> ✓ 200 Title Deeds for Nkowankowa C ✓ 472 Title Deeds for Dan Extension 2

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Table 5: Service delivery initiatives 2011/12

Service	Activities														
	<p>Transfer of sites</p> <ul style="list-style-type: none"> ✓ Portion 292 and 293 of the farm Pusela 55LT (Talana Hostel and surrounding areas) donated to the municipality by the Department of Public Works ✓ Portion 37 Hamawasha/Tzaneen Extension 89 (McDonald) purchased by Housing Development Agency (H.D.A) on behalf of the Municipality not yet transferred. <p>Leases</p> <p>Tenants of Pusela 6 signed a new lease agreement to rent as family units from June 2011 to June 2012, waiting to renew the Lease Agreement .</p> <p>Areas earmarked for development</p> <ul style="list-style-type: none"> ✓ Council entered into land availability for development of the following extensions <table border="1"> <thead> <tr> <th>Town</th><th>Developer</th></tr> </thead> <tbody> <tr> <td>Dan Extension 1</td><td>Dewcon</td></tr> <tr> <td>Tzaneen Extension 13</td><td>Phetogo Projects</td></tr> <tr> <td>Tzaneen Extension 53</td><td>Phadima Holdings</td></tr> <tr> <td>Tzaneen Extension 60</td><td>Solidarity Developers</td></tr> <tr> <td>Tzaneen Extension 78</td><td>Ngoma Trading</td></tr> </tbody> </table> <p>Installation of Services</p> <ul style="list-style-type: none"> ✓ COGHSTA is funding the installation of services (water , sewer and road grading) at Dan extension for an amount of R 8, 187, 000.00 ✓ COGHSTA is also funding the installation of services (water , sewer and road grading) at Dan village for 2000 sites and an amount of R 44, 000,000.00 	Town	Developer	Dan Extension 1	Dewcon	Tzaneen Extension 13	Phetogo Projects	Tzaneen Extension 53	Phadima Holdings	Tzaneen Extension 60	Solidarity Developers	Tzaneen Extension 78	Ngoma Trading		
Town	Developer														
Dan Extension 1	Dewcon														
Tzaneen Extension 13	Phetogo Projects														
Tzaneen Extension 53	Phadima Holdings														
Tzaneen Extension 60	Solidarity Developers														
Tzaneen Extension 78	Ngoma Trading														
9. Library Services	<ul style="list-style-type: none"> ✓ 95957 Library users were assisted ✓ 96325 Books were lent out ✓ 130 Displays set up ✓ 89 Groups hosted ✓ 3 Holiday programmes arranged and hosted ✓ 8 Major and 13 minor book related events arranged ✓ 1039 Learners participated in the GTM annual competition ✓ 672 School project themes assisted with. <p>New Libraries</p> <ul style="list-style-type: none"> ✓ New Library under construction at Shiluvane by the DSA & C at a cost of R 4, 221, 059.00 ✓ New Library under construction at Molati by the DSA & C at a cost of R 4, 326, 904.60 														
10. Licensing Services	<table border="1"> <thead> <tr> <th>Service</th><th>Amount (R)</th></tr> </thead> <tbody> <tr> <td>Vehicle registration</td><td>12,827</td></tr> <tr> <td>Vehicle renewal</td><td>50,488</td></tr> <tr> <td>Traffic fine payment</td><td>6,170,925</td></tr> <tr> <td>Issuing of driving license</td><td>16,941</td></tr> <tr> <td>Issuing of learners license</td><td>6,823</td></tr> <tr> <td>Issuing of public driver's license</td><td>3,453</td></tr> </tbody> </table>	Service	Amount (R)	Vehicle registration	12,827	Vehicle renewal	50,488	Traffic fine payment	6,170,925	Issuing of driving license	16,941	Issuing of learners license	6,823	Issuing of public driver's license	3,453
Service	Amount (R)														
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Traffic fine payment	6,170,925														
Issuing of driving license	16,941														
Issuing of learners license	6,823														
Issuing of public driver's license	3,453														
11. Sport, Arts and Culture	<p>Events</p> <ul style="list-style-type: none"> ✓ Hosted Cluster Indigenous games ✓ Hosted Municipal Indigenous games ✓ Hosted Cluster Arts and Culture competition 														

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Table 5: Service delivery initiatives 2011/12

Service	Activities
	<ul style="list-style-type: none"> ✓ Hosted Municipal Arts and Culture competition ✓ Hosted Mayors Cup 2011 and 2012 ✓ Supported Youth camps

A summary of access to basic services is presented in Table 6:

Table 6: Percentage of Households with access to basic services

Financial Year	Service			
	Electricity	Water	Sanitation	Waste collection
2008/2009	70%	53%	13%	9%
2009/2010	81%	76.30%	32.90%	10.20%
2010/2011	82.80%	80%	40.20%	11%
2011/2012	85%	80%	42.02%	12%

Ensuring universal access to basic services is entrenched in the vision of GTM however, budget constraints does not allow for these services to be extended as would be ideal. It is especially in the case of waste collection that the municipal budget is insufficient to fund waste removal services in large, sparsely populated rural areas, especially since cost recovery is not yet workable.

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1.4. FINANCIAL HEALTH OVERVIEW

The 2011/12 was again a very challenging year for the Greater Tzaneen Municipal finance, the Municipality has encountered some challenges and achievement during the financial year in terms of service delivery like any other local municipality in the country.

The use of going concern basis of accounting is appropriate because of the date of approval of Annual Financial Statement; the council does not believe that there are any material uncertainties related to events or conditions that may cast significant doubt about the ability of the GTM to continue as a going concern. The Greater Tzaneen Municipality's cash flow balance was improved to R50 Million cash in the bank at year end. If the unspent conditional grants of R39 Million are deducted Council still has a positive cashbook balance of R11 million on 30 June 2012. It must also be emphasized that a loan of R34 Million was taken up to finance capital projects of which an amount of R30 million was spent at year end. If this is taken into account council has a positive cash book balance of R7 million on 30 June 2012. The financial year ended with a deficit of R89 million, which was mostly contributed by the impairment of assets which is a non cash item.

These improvements of cash in the bank were effected through strict budget management and the control of expenditure to be in line with the cash at hand.

Table 7: Financial Overview 2011/12 (R'000)			
Details	Original budget	Adjustment budget	Actual
<i>Income</i>			
Grants	240 136	243 503	208 297
Taxes, Levies and tariffs	385 075	385 075	385 034
Other	54 128	54 128	84 157
Sub Total	679 339	682 706	677 488
<i>Less Expenditure</i>	675 116	675 116	766 284
Net Total*	<u>4 223</u>	<u>7 590</u>	<u>-88 796</u>
*Note: surplus/deficit	4223	7590	88796

It is evident from the figures contained in Table 7 that there are variances between the budgeted and actual figures. The total budgeted and actual income however differ with only 0,8%. With regard to the expenditure it is confirmed that the variance of R91 million is mainly the result of the impairment

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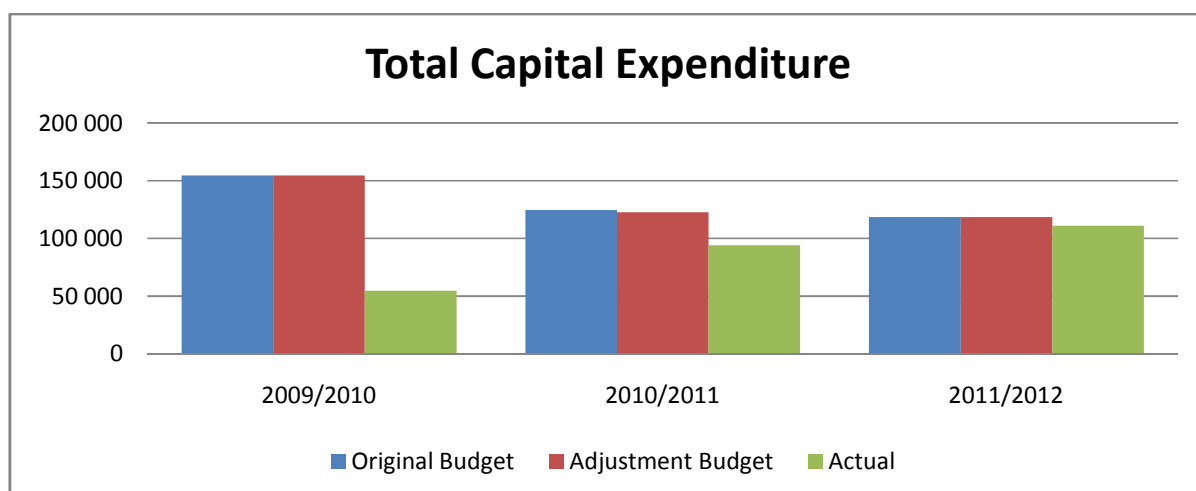
of assets which amounts to R97 million. Another contributing factor is the bulk purchases which increased with R64 million.

Table 8: Operating Ratios Actual (2011/12)	
Detail	Percentage
Employee Cost	20.0%
Repairs and Maintenance	5.0%
Finance Charges and Depreciation	14.0%

Employee cost represents 20% of the total Expenditure which is well below the acceptable norm of 35%. Repairs and maintenance represents only 5% of the total expenditure, this is due to the fact that the employee cost allocated to operating activities has been taken out of repairs and maintenance cost. If the labour cost is included in the repairs and maintenance cost it represents 12,2% of the total actual expenditure. Finance charges and depreciation represents 14,0% of the total expenditure which is acceptable.

Table 9: Total Capital Expenditure (2008/09 - 2011/12) (R'000)				
Detail	2008/2009	2009/2010	2010/2011	2011/12
Original Budget	68 205	154 704	124 553	118 376
Adjustment Budget	68 205	154 704	122 763	118 376
Actual	19 407	54 627	94 017	111 074

Figure 2: Capital Expenditure 2009/2010 – 2011/12



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The 2011/2012 financial year ended with a Actual Capital Expenditure of R111 074. Compared to the budget of R118 376, which is a much better performance than previous years. A request the roll-over of some of the Capital projects who have not been finalized during the 2011/2012 financial year has been submitted to National Treasury for approval.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

The latest Organizational Design took place during the beginning of 2011 to ensure that the organogram is aligned to the powers and functions to be conducted by the Greater Tzaneen Municipality as well as for the smooth execution of the IDP. Adhoc requests for the amendment of the organogram for the 2011/12 financial year was done on an as and when required basis. As on 30 June 2012 a total of 1416 positions were approved of which 653 were filled with 763 vacancies. A comprehensive explanation of this matter can be found in Chapter 4.

1.6. AUDITOR GENERAL REPORT

The Council is responsible for the preparation of the Annual Financial Statement. The Annual Financial Statement conform with general recognize accounting practices GRAP, the reporting regulations of the Municipal Finance Management Act, fairly present the statement of the affairs of the Greater Tzaneen Municipality as at the end of the 2011/12 financial year, and results of its operations and cash flows for the period under review.

During the 2011/12 financial year, GTM received a disclaimer of opinion due to the non compliance of the Generally Recognised Accounting Practice (GRAP) standards, GRAP 3 and 17, non submission of supporting documents and non compliance of Supply Chain Management prescripts. The report of the Auditor General is attached hereto as Annexure B.

Five of the directors of the Municipality including the CFO's contracts were not extended and new directors were appointed during July 2012/13, this could have had a negative impact on the audit report. The basis for the disclaimer can be grouped into the following:

- Property, plant and equipment;
- Investment Property;
- Prior year opening balances;
- Supporting documents not presented to the auditors during the audit; and

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- Compliance of Supply Chain Management prescripts.

The Greater Tzaneen Municipality drafted audit action plan which will be strict adhered to and management will ensure that implementation plan is implemented effectively. The complete report from the Auditor General is attached as **Annexure B**.

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1.7. STATUTORY ANNUAL REPORT PROCESS

Table 10: Annual reporting process

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period.	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise 4 th quarter SDBIP Report for previous financial year	
4	Submit draft Annual Performance Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual performance reports to MM	
6	Audit/Performance committee considers draft Annual Performance Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Performance Report	
9	Municipality submits draft Annual Performance Report including consolidated annual financial statements to Auditor General.	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General assesses draft Annual Performance Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is tabled to Council by the Mayor made public	January
15	Annual Report is made public and inputs/comments are invited	
16	Municipal Public Accounts Committee (MPAC) assesses Annual Report	February
17	Council adopts Oversight report from MPAC	March
18	Oversight report is made public	
19	Oversight report is submitted to relevant provincial council	

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The reporting timeframes as presented in the table above are as legislated. It is however important to distinguish between the Annual Performance Report (APR) and the Annual Report. The Annual Performance Report is an annual report on the actual achieved in relation to the targets set in the Service Delivery and Budget Implementation Plan (SDBIP), as approved for the specific financial year. This report must be submitted to the Auditor General along with the Annual Financial Statements (AFS). Then upon the approval of this report an Annual Report is drafted where the status of all municipal affairs for the financial year is reflected upon with the APR and AFS as addendums. The Annual Report has to serve before Council by 30 January to allow the MPAC to consider it and report to Council by 30 March. The APR needs to be considered during the Analysis Phase of the IDP during August and September to ensure that the strategic plan of Council is adjusted to address the challenges highlighted. The revised IDP will then form the basis of the budget and SDBIP for the new financial year.

The Members of the MPAC are as follows:

Cllr. S Mbhalati (Chairperson)

Cllr. S Mboweni

Cllr. G Mabuza

Cllr. TS Manyama

Cllr. M Sibiya

Cllr. Mokgoloboto

Cllr. S Mahori

Cllr. J Ramodipa

Cllr. A van Vuuren

Cllr. J Shiluvane

Cllr. G Ghondzweni

Cllr. L Hlangwani

Cllr. H Zandamela

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CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Municipal Structures Act defines a municipality amongst other as a structure with political office bearers and administration components; a geographic area; and the community of the municipality. In other words, a municipality consists of a municipal institution (political and administrative structures), and the people who live in the local area. The term can also be used to refer to a local area which falls within a municipal boundary.

Roles

The roles of these two components can briefly be defined by generally outlining key responsibilities mandated by various legislations thereto, without specifically dealing with the provisions of these pieces of law.

Rights and duties of municipal councils (political component):

The council of a municipality has the right to govern, on its own initiative, the local government affairs of our local communities; and to exercise the municipality's executive and legislative authority without interference. Councils must respect the rights of citizens in the way in which they exercise their powers. Council may finance the affairs of the municipality by charging fees for services, imposing surcharges on fees or property rates, and (when allowed by national legislation) imposing surcharges on other taxes, levies and duties. Council has duties as well as rights that, amongst others, include the duties to:

- Exercise their powers and use their resources in the best interests of our communities;
- Provide, without favour or prejudice, democratic and accountable government
- Encourage the participation of the communities;
- Ensure that municipal services are provided to the communities in an equitable, and financially and environmentally sustainable manner;
- Promote development in the municipality;
- Promote gender equity;
- Promote a safe and healthy environment in the municipality; and

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- Contribute to the progressive realisation of the fundamental rights contained in the Constitution.

The Municipal Systems Act obliges Council to consult the local community about municipal services. Communities should have a say in the way in which services are delivered; the level of services; the quality of services; and the range of services which are provided.

Duties of Municipal Administrations

The Municipal administration has a number of duties towards our communities, which could be summarised as follows:

- Being responsible for the general administration and accounting of the functionaries of the municipality;
- Being responsive to the needs of the local community;
- Establishing clear channels of communication with all sectors of the society and governance;
- Informing the local communities about the services which they are entitled to receive; and
- Informing the local community how the municipality is managed, what it spends its money on, and who is in charge.

The Municipal administration also has the duty to facilitate a culture of public service and accountability amongst staff, and taking measures to prevent corruption. It is therefore expected that the Municipality must fulfill these duties as far as possible, taking account the budget and capacity they have available.

2.1 POLITICAL GOVERNANCE

The key functions of the political component in the administration of the Municipality are as briefly explained above.

Oversight Function.

Over and above other legislative requirements that provides for specific actions towards municipal oversight, a Municipal Council remains responsible for the specific oversight of the general administrative work of the Municipality. In as far as specific requirements is concerned, the Municipality did establish the following committees to play an oversight role on various matters of Municipal work, particularly on fiscal matters:

1. Executive Committee

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2. Finance Committee
3. Municipal Public Account Committee (MPAC)

On the administrative component, the Internal Audit Unit also serves as bedrock for fiscal guidance and accountability.



POLITICAL STRUCTURE

Function

MAYOR

Mrs. DJ Mmetle

The Mayor provides political guidance, monitor and oversee the exercise of responsibilities assigned to the accounting officer and the chief financial officer without interfering in the exercise of those responsibilities. Take the reasonable steps to ensure that the Municipality performs its constitutional and statutory functions within the limits of the Municipality's approved budget.



SPEAKER

Mr. Phetole Percy
Machete

The Speaker preside over meetings of the Council, perform the duties and exercise the powers delegated in terms of section 59 of the Municipal System Act. Ensure that the Council meets at least quarterly, maintain order during meetings. Ensure compliance in the Council and council committees with the Code of Conduct set out in Schedule 1 of the Municipal System Act, and ensure that Council meetings are conducted in accordance with the rules and orders of Council.



CHIEF WHIP

Mr. Napoleon
Mboweni

The Chief Whip ensures that the strategic direction adopted by the Municipality is in line with the mandate and policy directives of the ruling party. Discuss with the office of the Speaker the order of the Council. Arrange caucus for the EXCO and Council meetings. Receive and consider applications for leave of absence by councillors for caucus meetings. Ensures that majority party councillors submit their programmes to the office of the Speaker and of the Chief Whip for monitoring purposes. Provide political support for the Committee Chairs, to carry out Party political functions in Committees.

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EXECUTIVE COMMITTEE

1. Cassius Machimana
2. Rirhandzu Selomo
3. Samson Maunatlala
4. Charlotte Nkhwashu
5. Richard Shingange
6. Sevwengwane Nkuna
7. Buku Jack Sekgotodi
8. Morepiwa Makgomole
9. Rene Pohl

The Executive Committee gives political direction to the executive management team. Provide recommendation to Council in respect of its executive and legislative powers. Work closely in a co-ordinated and co-operative relation with the Municipal Manager. The EXCO and Mayor within the legislative framework provided by the Municipal Structures Act, the Municipal Systems Act, the Municipal Finance Management Act and subject to Council resolutions, direct and drive the transformation and development of the municipality.

Greater Tzaneen Municipality has 68 councillors, 34 Ward Councillors who are directly elected and 34 proportional representation councillors. The ANC has 59 seats, the DA 5 seats; Cope 2, ACDP and APC each have a seat. The ANC is in charge of 32 of the 34 ward and the rest is led by the DA. The Executive Committee consists of 10 members, which is chaired by the Mayor. Each member of the committee chairs a portfolio committee made up of other councillors and officials. The Mayor, Speaker, Chief Whip and four other councillors, who are also part of EXCO, are fulltime councillors.

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2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager of a municipality is the accounting officer of the municipality for the purposes of the MFMA and must provide guidance on compliance with this Act to political structures; political office bearers, and officials of the municipality and any entity under the sole or shared control of the municipality. GTM had 8 directorates during 2011/12 being:

- Office of the Municipal Manager
- Office of the Chief Financial Officer
- Corporate Services
- Community Services
- Electrical Engineering
- Engineering Services
- Planning and Economic Development
- Office of the Mayor

In order to synergize the activities of the political functions in Council an 8th department (Office of the Municipal Manager being the other Department), namely, that of the Office of the Mayor was created during the organizational review process. This Department will only be sourced and become operational with effect from 1 July 2013, currently the functions are managed by the Corporate Services Director. It will be headed by a Director (Office of the Mayor) with divisions for councillor support and special programs. In the councillor support leg the functions of PA, Secretary, Clerk, Mayoral Driver, etc will be found; whilst on the special programs leg, the functions for HIV/AIDS, Gender, Disability and Youth are catered for. The latter is all cross-cutting issues that impacts on all programs/projects of Council. The contracts of all Section 57 Managers expired at the close of the financial year with the Municipal Manager on 31 May and the Directors on the 30th of June 2012.

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TOP ADMINISTRATIVE STRUCTURE

TIER 1

MUNICIPAL MANAGER

Mrs TC Mametja



Function

Accounting Officer, Also managing, IDP, PMS, Disaster Management and Internal Audit

TIERS 2 AND 3

CHIEF FINANCIAL OFFICER

Mr AJJ Le Grange



Manage Revenue, Expenditure, Supply Chain and Financial Services and Reporting, Budgeting

DIRECTOR: Community Services

Mr OZ Mkhombo



Manage Environmental Health, Cleaning services, waste removal, licensing and testing, law enforcement, parks, cemeteries, recreational facilities, libraries and sports, art and culture

DIRECTOR: Electrical Engineering

Mr P van den Heever



Manage Electricity service provision and infrastructure maintenance in service area

DIRECTOR: Planning & Economic Development

Mrs FT Mashianoke



Manage Town Planning, Housing, Land development, Local Economic Development and tourism

DIRECTOR: Corporate Services

Vacant

Manage Legal services, Human Resource, Public Participation, Communication and Marketing and IT

DIRECTOR: Engineering Services

Vacant

Manage Water, Sanitation, Roads and storm water service provision and maintenance, fleet and municipal buildings.

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COMPONENT B: INTERGOVERNMENTAL RELATIONS

The MSA Section 3 (Act 32 of 2000) requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41. The municipality, as a third sphere of government, continues to work and cooperate with the other spheres of government in the country. The municipality, through various representatives from administration and the political wing, attend district and provincial intergovernmental forums. These forums play an important role in enhancing cooperative governance and intergovernmental relations within the three spheres of government. Through these forums, spheres of government are able to integrate plans and programmes to ensure that service delivery is improved and challenges are addressed in time.

2.3 INTERGOVERNMENTAL RELATIONS

The municipality attends provincial intergovernmental meetings such as the Provincial Premier/Mayor's Forums and the Provincial Development Planning Forums. Through such meetings, the municipality was able to obtain information about future developmental plans by sector departments and state owned enterprises to be implemented within our area of jurisdiction. During the 2011/12 financial year, through these intergovernmental forums, the municipality was able to have a consolidated report about all government wide projects to be implemented.

The municipality, through various representatives from administration and the political wing, was also able to attend district forums such as the District Intergovernmental Forums, District Mayor's Forum, District Municipal Managers Forum, District Speaker's Forums and the District Development Planning Forum. Through these forums, the municipality was able to benefit by learning from other municipalities in terms of best practice and also to guide the district in terms of service delivery priorities and priority areas in Greater Tzaneen Municipality.

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COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

The Municipality has established, within its Corporate Services Directorate, a Public Participation Unit/Division, with functional personnel and specific responsibilities in terms of public participation. Key to our accountability processes in terms of both the Structures and the Systems Acts, is the facilitation and implementation of the following forums:

- Quarterly Community report back meetings by Ward Councilors
- Quarterly Mayoral Imbozos
- Ward Committee monthly assessment meetings
- Annual Mayoral Address
- Half year Progress Report by the Mayor
- Annual IDP/Budget community and focused groups' consultation meetings

To this end, our Municipality has never received a negative reaction from the MEC COGHSTA, the MEC Treasury, Minister Treasury, stakeholders, or the community in general on the processes required for the adopting of the IDP/Budget or any other policy of Council.

Key to our public communications and participatory initiatives, we have established and produce the following interactive mediums:

- Quarterly Bulleting - a Municipal magazine called Greater Tzaneen Bulletin;
- Face book Page – Greater Tzaneen Municipality
- GTM Electronic Newsletter – called Makomb- Ndlela which is released Monthly
- GTM Website – www.tzaneen.gov.za, updated daily – to – weekly
- Complaints and Compliments Box – at the foyer of the Municipal offices
- Report from Presidential and Premier's Hotlines

The impact that these medium has had was that it put our Municipality in direct, daily contact with our communities and stakeholders, hence receiving information when it matters most, where it matters most. The participatory system of Greater Tzaneen has further changed because ward committees were established from community stake holders. In this instance the stakeholder forum cluster forums which are responsible to draft ward committee programmes, interrogate monthly

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ward reports and also monitor the issues from ward committees to the community. The accountability of the participatory committee now is improved. The clusters are also managed by political heads, who are full time councillors, to manage issues direct from community.

Greater Tzaneen Municipality has also established a Representative Forum consisting of Councillors, representatives from Ward Committees, NGO's, CBO's, Sector Departments. According to the IDP/Budget and PMS process plan (which is reviewed annually) this forum must meet at least once per quarter to consider the IDP, service delivery progress reports and make inputs into these three processes. Unfortunately, during 2011/12 this forum could only convene 3 times throughout the year. It must however be mentioned that, in order to strengthen the participatory process 2 other participatory processes are embarked on, on an annual basis:

- Ward needs analysis conducted on a ward level during the Analysis phase of the IDP
- Ward based budget contact sessions where the draft budget is presented to the wards with an opportunity for community members to make inputs into the budget prior to finalisation.

The IDP Representative forum is not as effective as we would like it to be as documentation are usually not available to forum members prior to meetings. Service Delivery reports are also not submitted to this forum on a regular basis. This is something that GTM wants to improve on. It must further be noted that the IDP, Budget, SDBIP and Annual Report of Council is placed on the GTM website: **www.tzaneen.gov.za** for the public to view. Hard copies of these documents are also made available at Thusong Centres, Libraries and Traditional Authority offices. The impact that these medium have had is that it put GTM in direct, daily contact with our communities and stakeholders, hence receiving information when it matters most, where it matters most.

The participatory system of Greater Tzaneen has changed because ward committees is established from community stake holders. In this instance the stakeholders forms cluster forums which are responsible to draft ward committee programmes, interrogate monthly ward reports and also monitor the issues from ward committee to the community. The accountability of the participatory committee has now improved. The clusters are also managed by a political head who manage issues direct from community on a fulltime basis.

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Table 11: Public meetings held during 2011/12

Nature & purpose of meeting	Date	Number of Councilors in attendance	Number of Municipal Officials in attendance	Number of Community Members in attendance	Dates and manner of feedback given to the community
Mayoral Public Participation					
Public Participation Mayoral Imbizo (Ward 4)	09/10/2011	20	15	150	09/11/2012
Public Participation Mayoral Imbizo (Ward 32)	04/10/2012	15	10	250	04/11/2011
Public Participation Mayoral Imbizo (Ward 13)	04/10/2012	25	20	280	04/11/2012
IDP Representative Forum					
To serve as a platform for stakeholders to input and comment on matters of planning and budgeting of government	17 Oct 2011	38	23	84	29 March to 22 April 2012
	28 Mar 2012	49	29	93	29 March to 22 April 2012
	24 May 2012	51	28	97	29 March to 22 April 2012
COMMUNITY OUTREACH PROGRAMME					
Public protector in Nkowankowa	16 August 2011	5	10	6000	16 August 2011, the questions were raised by the community were all provided with the verbal information
Youth against crime campaign	01 July 2012	4	12	1000	01 July 2012, the community were supplied with a satisfactory feedback
Youth commemoration	23 June 2012	6	5	1500	23 June 2012, the questions were raised

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Table 11: Public meetings held during 2011/12

Nature & purpose of meeting	Date	Number of Councilors in attendance	Number of Municipal Officials in attendance	Number of Community Members in attendance	Dates and manner of feedback given to the community
					and positive respond were provided and the community was satisfied
National day against child labour	19 July 2012	9	13	8000	19 July 2012, all the questions were responded verbally and the community was satisfied
Apply now campaign	03 October 2012	3	5	300	03 October 2012, the community was provided with information they required
Sanitary towels	06 November 2012	11	3	50	16 November 2012, the feedback were given the same day

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The four clusters of GTM being Lesedi Cluster, Bulamahlo Cluster, Runnymede Cluster and Relela Cluster have established a cluster forum which will deal specifically with communities in and around the clusters with regard the service rendered by the municipality. These clusters also play an oversight role while strengthening the participation of these communities in service delivery. Service delivery priorities as identified through participatory processes are presented in Table 12 below:

Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2011/12
1	Provision of water and grading of Internal streets	Water remains a challenge, however, municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme
2	Provision of water and a construction of a clinic	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. A clinic has not yet been constructed. The priority has been submitted to the Department of Health as it falls within its function
3	Provision of water pipelines at Ga-Wally and Radoo, provision of toilets at Ga-Wally, grading of internal streets at Ga-Wally, provision of bridge on Radoo graveyard road and tarring of road from Xihoko to Radoo	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. Toilets have not yet been constructed. Streets are being graded through a municipal wide ward programme. The bridge has not yet been constructed and the road from Xihoko to Radoo not yet tarred.
4	Provision of Water	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem.
5	Provision of water and grading of Internal streets	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme
6	Provision of water	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem.
7	Provision of water at Kheopeng and Moruji, grading of internal streets and the tarring of Mavele	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme. The Mavele to Moruji road has been advertised for implementation by Mopani District

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Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2011/12
	to Moruji road	Municipality
8	Provision of water	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem.
9	Provision of water, grading of internal streets and construction of a bridge	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme. The bridge has not yet been constructed.
10	Provision of water	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem.
11	Provision of water and the tarring of Thapane to Moruji road	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. The Mavele to Moruji road has been advertised for implementation by Mopani District Municipality
12	Construction of a bridge to Lwandlamuni school, speed humps and provision of water	Bridge to Lwandlamuni School not yet constructed ,Speed humps has been constructed and water remains challenge, however, municipality is delivering water through tankers as a way to alleviate the problem
13	Provision of houses	Farm houses have not yet been provided to Mieliekloof and Tarentaal communities
14	Tarring of road from Tzaneen/Modjadjiskloof to Politsi, Electricity, water and Houses at Maribethema and Politsi	The road from Tzaneen/Modjadjiskloof to Politsi is under construction, Water remains challenge, and however, municipality is delivering water through tankers as a way to alleviate the problem. Maribethema is still on the electricity priority list.
15	Water & Electricity Supply capacity	Increased water & electricity capacity to allow new developments
16	Provision of water	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem.
17	Provision of water at Mokgoloboto and grading of internal streets at Dan	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme
18	Provision of water and the connection of tar road to R36 road	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. The road has not yet been connected to R36 road
19	Tar road to graveyard	Tar road to graveyard constructed
20	Tar road from TEBA to Dan Clinic and the grading of internal streets	Tar road constructed. Streets are being graded through a municipal wide ward programme
21	Tarring of internal streets	Internal streets not yet tarred

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Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2011/12
22	Construction of Gavaza to Mafarana tar road and the grading of internal streets	Gavaza to Mafarana road not yet tarred. Streets are being graded through a municipal wide ward programme.
23	Provision of water, houses and grading of internal streets	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. Hundred (100) houses constructed in Mariveni and streets are being graded through a municipal wide ward programme
24	Provision of water and tar road from Khopo to Letsitele	Water remains challenge, however, municipality is delivering water through tankers as a way to alleviate the problem and the road from Khopo to Letsitele not yet constructed
25	Provision of water	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem.
26	Provision of water	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem.
27	Grading Makhubidung to Sekoto internal street tar and Serututung via Makhubidung to Shoromong tar road	The road from Dr CN Phatudi via Pharare to Mokgapeng not tarred. Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme and the road from Serututung via Makhubidung to Shoromong has not been tarred
28	Dr CN Phatudi via Pharare to Mokgapeng tar road and provision of water at Gavaza, Burgersdorp and Mineview	Water remains challenge, however, municipality is delivering water through tankers as a way to alleviate the problem
29	Provision of water	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem.
30	Construction of a bridge between Nabane and Tickylane and the grading of internal streets	Bridge not yet constructed and Streets are being graded through a municipal wide ward programme.
31	Development of a new Lenyenye cemetery	New cemetery not yet developed awaiting EIA
32	Provision of water and grading of Internal streets	Water remains a challenge; however, municipality is delivering water through tankers as a way to alleviate the problem. Streets are being graded through a municipal wide ward programme
33	Bokgakga to Mogoboya tar road, Internal street, provision of water (Bokgakga) and Houses	The road from Bokgakga to Mogoboya is being constructed. Streets are being graded through a municipal wide ward programme. Water remains challenge, however, municipality is delivering water through tankers as a way to alleviate the problem and houses not constructed

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Table 12: Service Delivery priorities per ward (Highest Priority first)		
Ward	Priority name and detail	Progress during 2011/12
34	Provision of water and the construction of tar road on the Lephepane to Khujwane road	Water remains a challenge, however, municipality is delivering water through tankers as a way to alleviate the problem and the road from Lephepane to Khujwane is under construction

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2.5 IDP PARTICIPATION AND ALIGNMENT

Table 13: IDP participation and alignment criteria	
Criteria	Yes/no
Does the municipality have impact, outcome, input and output indicators	Yes
Does the IDP have priorities, objectives, KPIs, development strategies	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score	No
Does the budget align directly to the KPIs in the strategic plan?	No
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public	Yes
Were the four quarter aligned reports submitted within the stipulated timeframes?	Yes

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COMPONENT D: CORPORATE GOVERNANCE

Corporate Governance has a broad scope. It includes both social and institutional aspects. Corporate Governance encourages a trustworthy, moral, as well as ethical environment. Corporate Governance ensures transparency which guarantees strong and balanced economic development. This also ensures that the interests of all stakeholders are safeguarded and that all stakeholders fully exercise their rights since, the organization fully recognizes these rights.

Some of the benefits of Good Corporate Governance:

- Ensures corporate success and economic growth.
- Maintains stakeholders' confidence, as a result of which, institution can raise capital efficiently and administrative effectively.
- It lowers the capital cost.
- It provides proper inducement to the (political) principals as well as managers to achieve objectives that are in interests of the stakeholders and the organization.
- Minimises wastages, corruption, risks and mismanagement.
- It helps in brand formation and development.
- Ensures organization in managed in a manner that fits the best interests of all.

2.6 RISK MANAGEMENT

Risk management is an essential component of good governance which every institution should have and manage. Section 62(1) (c) (1) of the MFMA (Act 56 OF 2003) requires that the accounting officer must maintain effective, efficient and transparent system of financial and risk management and internal control. Risks can be maintained effectively if institutions establish risk units and appoint risk officers who can take charge of the risks and report to risk committee timorously.

A risk unit and risk officer has not yet been established and employed for GTM. Presently the manager internal audit has been requested to assist by organizing the activities of the Risk Officer such as coordinating the annual risk assessment and the issuing of risk report and the updating of the risk register.

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Service departments play an important role as it is their responsibility to manage risks by developing effective system of internal controls to minimise risks within their sphere of operations. Annually they are invited to participate in the risk assessment process by identifying risks within their departments.

2.7 ANTI-CORRUPTION AND FRAUD

Fraud and anti-corruption strategies and policies are also component of good governance. The municipality has a fraud and anti-corruption policy but no committee has been established to oversee the function. However, there is a supply chain policy in place which provides for the separation of committees such as the specification committee, evaluation committee, adjudication committee and eventually the approval by the accounting officer. Councillors are excluded from participating in any of the above mentioned committees. The municipality has also established internal audit unit and the shared audit committee with the Mopani District Municipality, of which the members are non municipal employees or councilors. Recommendations of audit committee are contained in **Addendum G**.

2.8 SUPPLY CHAIN MANAGEMENT

The MFMA chapter 11, SCM Regulations 2011, PPPFA as incorporated by BBBBEEA 2011 and relevant Treasury practice notes and circulars as set out are used by the institution to comply the prescripts. The latter all contributes to the successful procurement of goods and services, and minimizes the opportunities for fraud and corruptions. In the financial year 2011/2012 the Council has approved the SCM Policy (August of 2011) as required by prescripts, and will annually review and implement the policy. It should be noted that the policy covers all aspects required by prescripts relevant to the same. The policy covers all elements that should form part of policy as follows:

- Demand
- Acquisition
- Logistics
- Disposal

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- Risk
- Performance

It should further be noted that in terms of corporate governance the unit is compliant and that this financial year the policy will be subjected to a review.

Other Financial Matters

- The unit is currently outsourcing a database system, which will contribute to the full compliance of the set prescripts and ensure that the unit is well functioning and this in itself will and might have financial impact.
- The training of bid committees and SCM officials was not fully achieved due to the appointment of new committee meetings, the process will be outsourced to capacitate the members and officials in the daily running of the SCM processes

2.9 BY-LAWS

Public Participation on By-laws was performed through community and ward meetings around Greater Tzaneen Municipality. Communities were given an opportunity to raise and indicate their dissatisfaction and comments on the By-Laws. The By-Laws, once gazetted, became a municipal Law and enforced through the prescribed procedures contained therein. The by-laws introduced during 2011/12 are presented in Table 14 below:

Table 14: By-laws introduced during 2011/12					
By-law	Revised/ Newly Developed	Public participation conducted prior to adoption (yes/no)	Date of public participation	By-Law gazetted	Date of publication
Street trading By-Law	IN PROCESS OF BEING ADOPTED	NO	NO	N/A	N/A
Health By-Laws for pre-school institutions		NO	NO	N/A	N/A
Cemetery By-Laws		NO	NO	N/A	N/A
Electricity By-Laws		NO	NO	N/A	N/A
Keeping of Animals By-Law		NO	NO	N/A	N/A

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Table 14: By-laws introduced during 2011/12

By-law	Revised/ Newly Developed	Public participation conducted prior to adoption (yes/no)	Date of public participation	By-Law gazetted	Date of publication
Water Services By-Law		NO	NO	N/A	N/A
Education Loans By-Law		NO	NO	N/A	N/A
Financial By-Law		NO	NO	N/A	N/A
Flammable Liquids By-Law		NO	NO	N/A	N/A
Rules of Order & Probity By-Law		NO	NO	N/A	N/A
Traffic policy By-Law		NO	NO	N/A	N/A
Drainage By-Laws		NO	NO	N/A	N/A

2.10 WEBSITES

The new website was developed according to the guide of the MFAMA under Section 75 with the heading 'Information to be placed on websites of Municipalities', this will ensure that all requirements of the MFMA all properly addressed and adhered to.

Table 15: Municipal Website: Content and Currency of Material

Documents published on GTM website	Yes/No	Publishing date
Current and annual adjustment budget related documents	Yes	10/01/2011
All current budget related documents	Yes	25/02/2011
2010/11 Annual Report	Yes	25/02/2011
2012/13 performance agreements and plans for Section 57 Managers	Yes	25/02/2011
All service delivery agreements for 2011/12	No	
All long-term borrowing contracts for 2011/12	No	
All supply chain management contracts above a prescribed value(given value) for 2011/12	No	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during 2011/12	No	

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Table 15: Municipal Website: Content and Currency of Material

Documents published on GTM website	Yes/No	Publishing date
Contracts agreed on in 2011/12 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	
Public-private partnership agreements referred to in section 120 mad in 2011/12	No	
All quarterly reports tabled in Council in terms of section 52(d) during 2011/12	No	

The rural Broadband project, which is in its second phase, will address the e-Campus or smart Municipality which include amongst others establishing public points on Post Office branches and other public areas for community to use to access Municipal information and information about government services in general.

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

No customer satisfaction survey was conducted during 2011/12, therefore the level of public satisfaction is not certain. However, only two service delivery protests were held (N'wamitwa community and Petanege community). These protests were related to water delivery and also unemployment.

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CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

This chapter contains service delivery results for 2011/12 relating to the various functions performed by GTM. For a summary of service delivery achievements refer to the Executive summary of the Municipal Manager.

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services. The Engineering Services Department consist of four divisions namely: Roads and storm water, Water and Sewer, Project Management Unit, Building control and Fleet.

Roads and Storm Water

The division is responsible for the construction of new road and stormwater infrastructure and the maintenance existing roads including storm water management within its area of jurisdiction. The challenge with regards to provision of this service is budget constraints to meet targets and provide a minimum or acceptable standard of service.

Water and Sewer

This division is responsible for the maintenance of existing water and sewer infrastructure and reticulation management of three (3) water treatment plants and one (1) waste water treatment plant. MDM is the Water Service Authority (WSA) and GTM is the Water Service Provider (WSP). MDM is responsible for bulk water and reticulation thereof. The biggest challenge is the fact that GTM is not the WSA and therefore does not have direct control of the expansion and improvement of water services. GTM has the capacity to provide water and we have retained the blue drop certification award for drinking water quality.

Project Management Unit

This division is responsible for management of all capital budgets for creation of new civil infrastructure services. The biggest challenge is insufficient capital provision to reduce back logs. Also, challenges with the Supply Chain Management process delayed the implementation of road projects during 2011/12.

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Building control services and fleet

Responsible for building control services from approval of building plans to issue of occupation certificates and contravention notices. The unit is also responsible for the maintenance of all Council owned and leased vehicles. The Division also maintains the existing buildings of Council. The biggest challenge with the fleet is to limit the damage to and misuse of newly acquired vehicles. The challenge on maintenance or buildings is insufficient budget provision to meet demands and compliance to the OHS Act. The challenge of building control is a lack of funds to acquire an electronic system for both circulation and filling of building plans.

3.1. WATER PROVISION

Greater Tzaneen Municipality (GTM) had signed a Water services Provider contract with Mopani District Municipality (MDM) on the 9th June 2011. MDM is the Water Services Authority (WSA) and according to the contract MDM will provide bulk water services to GTM while GTM will provide water services to the consumers as well as collection of revenue. Approximately 70% of GTM area consists of rural villages where water provision is not yet as expected. Table 16 presents water service delivery output for 2011/12.

Table 16: Water provided during 2011/12

No	Water Works	Water Quota in m ³	Abstracted in m ³	Pumped in m ³	Plant loss in %	R/ m ³
1	Georges Valley	2 370 000	3 143 126	3 089 359	9.12%	0.43
2	Tzaneen Dam	1 230 000	1 666 483	1 736 831	1.2%	0.33
3	Letsitele	418 269.96	351 2542	319 559	9.0%	0.38
4	Boreholes	8500	101464	101464	0%	n/a
	Total	4 026 769	8 423 615	5 247 213	4.83%	0.38

It should be noted that since all water assets have been transferred to MDM a detailed report the expenditure on water will be contained in the Annual Report for MDM. This section will only reflect on those aspects managed by GTM on behalf of the WSA.

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There are eleven Water treatment works within the boundary of Greater Tzaneen Municipality. There are also more than 280 boreholes drilled to augment the existing water sources. These are managed and operated as follows: Three (3) waterworks operated by GTM, three (3) water works operated by Lepelle Northen Water and five (5) operated by MDM. These waterworks as well as boreholes are unable to provide basic water to 99117 households evenly in GTM. The majority of the households are in rural areas (126 villages) where water are to be supplied through boreholes and waterworks which are either dry of not receiving regular maintenance or not maintained at all. Some waterworks were designed for a small community and now, with the current growth rate, the works cannot cope with the demands. Dysfunctional boreholes and waterworks compelled GTM to provide water, especially in villages, through water tankers. This arrangement was made as temporary measure but eventually prolonged as various boreholes in villages, clinics and schools were found to be dry.

GTM had been allocated 3 600 000 m³ of water from Tzaneen and Ebernezer dams. Letsitele Water works has an allocation of 418 290 m³ per annum. The growth rate from 2007 had seen the allocation being insufficient. Application for an increase to 6 000 000 m³ from both Ebernezer and Tzanen dams had not been successful since the both dams are said to be over allocated. The capacities of the waterworks are also at their maximums. The Water potfolio committee had recommened, after holding cluster meetings, that the list to upgrade be sent to Mopani District Municipality as WSA to consider upgrading the water works. Five villages, Mariveni, Khujwana, Tours, Nkambako and Fobeni were recomended by Potfolio committee as those that will receive households connection and be metered (cost recovery). The recommendation was backed by an understanding that the villages are close to waterworks and have constant supply.

Water and sewer services were installed to 1200 stands in Tzaneen Extension 70 and 78 as well as Sewer installtion in Dan Village for 2000. These services were funded by COGHSTA. Water reticulation and 70 stand pipes were installed in Ramotshinyadi by Resolve funded by USAID.

Table 17: Total use of water by Sector (cubic meters)

Financial Year	Agriculture	Forestry	Industrial	Domestic	Water Losses
2008/2009	Not known	Not known	384653	7055971	12%
2009/2010	Not known	Not known	356720	7459927	7%

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Table 17: Total use of water by Sector (cubic meters)

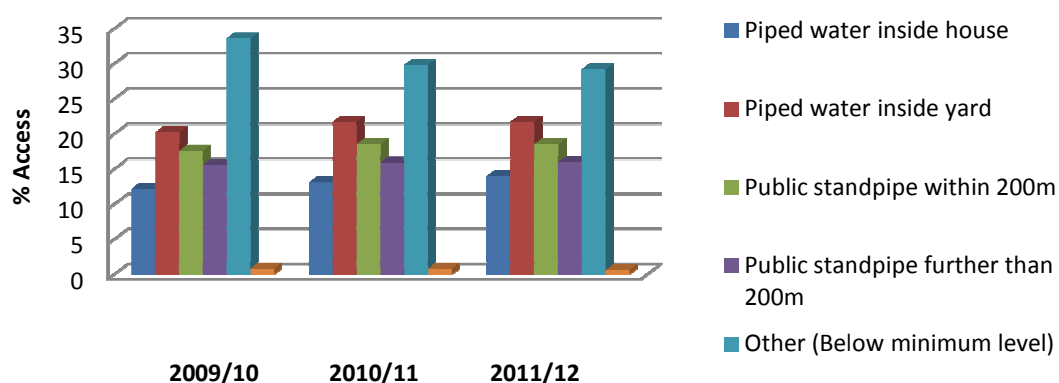
Financial Year	Agriculture	Forestry	Industrial	Domestic	Water Losses
2010/2011	Not known	Not known	293122	143964	11%
2011/2012	Not known	Not known	511932	6812885	9%

Table 18: Household access to water 2009/10 - 2011/12

Level of access	2009/2010		2010/2011		2011/2012	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Piped water inside house	12083	12.19	13008	13.12	13798	14
Piped water inside yard	20050	20.23	21545	21.74	21545	21.74
Public standpipe within 200m	17434	17.59	18432	18.60	18432	18.6
Public standpipe further than 200m	15440	15.58	15790	15.93	15790	16
Other (Below minimum level)	33298	33.59	29530	29.79	28930	29.2
No water supply	812	0.82	812	0.82	622	0.63
Total Households	99117	100.00	99117	100.00	99117	100
Nr of Households receiving Free Basic water	30 000		2 003		2003	
Nr of Households receiving 24hr piped water	32133	32.42	34553	34.86	34553	34.86
Budget allocation for water supply*	R 1 445 000.00		R 1 445 000.00		R 2 750 000	

*MDM allocation to GTM

Figure 3: Household Access to water



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Table 19: Households receiving Free Basic Water,

Year	Total Households	Receiving Water	Backlog	Free Basic Water
2010/11	89 831	68 589	21 242	1 254
2011/12	99 117	70 092	29 025	2 003

Table 20: Targets for providing access to water

Water Access Target	Year	Cost
300	2012/13	R 3,100,000
300	2013/14	R 3,150,000
300	2014/15	R 3, 500,000

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Table 21: Water Service Delivery targets from SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Accessible services	% of households with access to basic level of water	77%	78%	None
Water and Sanitation	m³ increase of water quota	3.8million m3	0	None
	# of new basic water connections	110	89	Depends of new applications
	# metered water connections / total figure of households as %	0.5%	0.1%: This is very small when comparing with total households of 89/ 99117: which is 0.08	Depends of new applications
Maintenance on Water and Sewer Network	Mini lab at Sewer Plant	Mini lab at sewer plant 100% completed by 30 March 2012	Projects stopped as GTM was not allowed to do Capital for water.	None
	Operations and maintenance water distribution network	Maintain 100% compliance to maintenance schedules. 100% expenditure	Maintain 100% compliance to maintenance schedules.(After adjustment the vote had a total of R 1, 735,000 hence the expenditure to date is R 1,528,236.00	Maintenance within schedule
	Operations and maintenance water purification	Maintain 100% compliance to maintenance schedules. 100% expenditure	Maintain 100% compliance to maintenance schedules.(After adjustment the vote had a total of R 735,000 hence the expenditure to date is R 732,991.00	Bulk chemicals bought to cater for longer dosages.
	Replacement of air valves at Georges Valley raw water pipeline	Obtain quotations Procurement completed and project completed 100% by December 2011	installation of air valves at 50%	Projects to be completed next quarter whereby GTM's maintenance staff will start with the installations
	Water Works (Upgrade at Tzaneen dam water lab)	Upgrade of Water Laboratory at Tzaneen Dam completed by December 2011	Laboratory upgrade was done.	

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Table 21: Water Service Delivery targets from SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Water Works (Upgrade of telemetric system)	Upgrading of telemetric system completed by December 2011	Projects stopped	GTM was not allowed to implement Capital projects for water.

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Greater Tzaneen Municipality had retained its Blue Drop (Drinking Water Quality) status for the third year running. The awards (Platinum category) which were handed over by Deputy Minister of Water Affairs, Ms Joyce Mabudafhasi at the Cape Town International Convention Center (ICC) on the 7th of May 2012 are for Tzaneen and Letsitele Water systems. GTM is one of the two local municipalities to be certified Blue Drop in Limpopo and one of only 98 country wide. The systems (starting from abstraction to the tap) which produce a combine 25 mega million litres had to meet the following requirements.

1. Water Safety Plan Process and Incident Report Management
2. Process Control, Maintenance and Management Skill
3. Drinking Water Quality Monitoring Programme
4. Drinking Water Sample Analysis Credibility
5. Submission of Drinking Water Quality Results
6. Drinking Quality Compliance
7. Publication of Drinking Water Quality Management Performance

The awards indicate GTM's high level of professionalism, performance and compliance. They will also boost GTM's tourism prospects and investment. The Blue Drop Status (BDS) is recognized globally and has a potential to allay tourist fears of contracting water borne diseases when drinking or using water. High water quality is also essential for the production of food and beverages, hence ensuring GTM's commitment in ascertaining a quality of human life.

In addition to this, the Water portfolio committee had embarked on visiting various clusters (Thusong centres) to meet wards councillors and committees as well as officials from MDM and GTM in order to collect information about water challenges in Tzaneen Municipality. All information, such as the cause of the water shortages, were captured and grouped accordingly. Problems that needed urgent attention were immediately identified and those that can be solved by officials were given to them, like shortage of diesel for engine driven borehole pumps, damaged or vandalised pipes that needed repairs and could be repaired urgently were attended to. Those that needed political intervention for attention were also noted, to be sent to council. Water and wastewater treatment works which needed upgrade were recorded, to be sent to Water Services Authority for them to include in their

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budget. The outcome of water samples taken for Blue Drop certification is presented in the tables below:

Table 22: Averaged water sample outcome - Tzaneen Central Laboratory 2011/12					
Determinants	Tzaneen	Nkowankowa	Letsitele	Haenertsburg	Recommended-Class1
Ph (-logH)	9.19	8.11	7.36	9.37	5.0-9.5
Turbidity (NTU)	0.6	0.39	0.36	0.97	<1
Colour (as Pt)	13	<5	<5	10	<20
Conductivity (mS/m)	5.61	8.58	40	6.04	<150
Temperature °C	17.6	19.2	19.6	16.2	
Total Dissolved Solids (mg/l)	30.9	44.2	21.6	34.4	<1000
Total Alkalinity (mg/l)	28	60	150	24	
Total Hardness (mg/l)	30	55.83	70	80	
Calcium Hardness as CaCO ₃ (mg/l)	26.67	22.35	64.5	76.47	
Calcium as Ca (mg/l)	10.68	4.17	27.82	30.62	<150
Magnesium Hardness as CaCO ₃ (mg/l)	3.33	1.01	0.51	3.35	
Magnesium as Mg (mg/l)	0.81	9.8	0.12	0.86	<70
Sodium as (Na) (mg/l)	2.20	0.48	55.21	-20.90	<200
Potassium as K (mg/l)	0.9	0	0.6	0.8	<50
Chloride as Cl (mg/l)	7.1	0.14	31.8	9.1	<200
Fluoride as F (mg/l)	0.13	0.043	0.21	<0.02	<1.0
Sulphate as SO ₄ (mg/l)	0		22	0	<400
Nitrate as N (mg/)	0.04	0.44	0.7	0.01	<10
Iron as Fe (mg/l)	0.089	0.043	0.067	0.091	<0.2
Manganese as Mn (mg/l)					<0.1
Ammonia as N (mg/l)	<0.02	-0.39	<0.02	0.2	<1.0
Aluminium as Al (mg/l)	0.048	8.89	0.01	0.018	<0.3
Zinc as Zn (mg/l)	0.07	0.35	0.51	0.08	<5
Langelier Sat. Index	-0.11		-0.66	0.61	
Ryznar Index	9.41	0.74	8.68	8.15	
Corrosivity Ratio	0.36		0.45	1.53	
CaCO ₃ Precipitation potential (mg/l)					
Free Res. Chlorine (mg/l)	0.92	0.74	0.54	0.42	
E.Coli (count/100ml)	0	0	0	0	0
Total Coliform Bacteria(count/100ml)	0	0	0	0	10

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Table 23:Water works summary of performance, 2011/12

Water Works	Abstract (m ³)	R/(m ³) Abstraction	cost (m ³)	Pumped (m ³)	Cost of chemicals	R/(m ³) pumped	R/(m ³) Total	Plant Cap	Exp Perf	Act Perf	Loss in m ³	loss in %
Letsitele	351252	0.22	R 77,275.44	319559	56173.31	0.16	0.38	1400	42000	319559	31693	9.0
Tzaneen Dam	1736831	0.22	R 382,102.82	1666483	199574.55	0.11	0.33	6000	180000	1666483	408.91	1.2
George's Valley	3143126	0.22	R 679,658.98	3089353	654998.75	0.21	0.43	9000	270000	3089359	53767	1.74

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3.2 WASTE WATER (SANITATION) PROVISION

Greater Tzaneen Municipality is a Water Services Provider, whereas Mopani District Municipality is a Water Services Authority. Mopani allocates a certain amount of VIP (sanitation) to GTM, based on the backlog. GTM's function is to monitor the building of the VIPs. For 2011/2013 financial year 1311 VIP were allocated to Tzaneen by MDM. Sewer network were installed to 2000 stands in Dan Village. 507 VIP's were allocated to Tzaneen by Department of Human Settlement. 36 VIP's suitable for Disable people were constructed in Tzaneen; this project was funded by COGTA. 1200 stands in Tzaneen Extension 70 and 78 were installed with sewer and water distribution network. In total 1850 VIP were constructed during the financial year 11/12 while 2000 stands received waterborne sewer connection.

Table 24: Household access to sanitation 2009/10 - 2011/12						
Level of access	2009/2010		2010/2011		2011/12	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Flush toilet (connected to sewerage)	11259	11.4	11799	11.9	13514	13.6
Flush toilet (with septic tank)	280	0.3	284	0.3	284	0.3
Chemical Toilet	0	0.0	0	0.0	0	0
Ventilated Pit Toilet	55689	56.2	57715	58.2	58569	59
Other Toilet below minim level	0	0.0	0	0.0	0	0
No toilet provision	31889	32.2	29319	29.6	26750	28
Total Households	99117	100.0	99117	100.0	99117	100
Nr of Households receiving Free Basic sanitation	905		919		1 367	
Budget allocation for sanitation services	R4 898 897		R7 135 317		R8 229 848	

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Table 25: Waste Water performance for Certification 2011/12

Performance Area	Tzaneen Sewage	Nkowankowa Sewage	Lenyenye Sewage
Technology	Biological (Trickling) Filters Anaerobic digestion	Biological (Trickling) filters Lagoons	Anaerobic ponds/ facultative ponds, Lagoons
Design Capacity (Ml/day)	8	4.5	1
Operational % i.t.o Design Capacity	75	93.3	50
Microbiological Compliance	95%	80%	60%
Chemical Compliance	58%	25%	5%
Physical compliance	98%	93.3%	60%
Annual Average effluent quality compliance	84%	66.1%	41.7%
Wastewater Risk Rating (%CRR/CRRmax)	45%	52.9%	76.5%
Highest Risk Area	Low flow to plant, effluent quality	Design Capacity approaching , effluent quality	Technical skills, Effluent quality
Risk Abatement Process	Draft W2RAP	Draft W2RAP	Draft W2RAP
Capital & Refurbishment expenditure in 11/12	R 0	R 0	R 5-6 Million
Description of projects Expenditure	No capital plans for Financial Year 2011/2012; but plans to increase plant Capacity from 8 to 15 Ml/day is there since Tzaneen town is growing very fast.	Only operating expenditures. Capex (design construction cost) has been spent. Tender has gone out for construction of expanding works.	Upgrading in process to 5.0 Ml/day
Green Drop Score + trend	84.3%	77.9%	21.9%

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The results of the GTM treatment works are presented below:

Table 26: TZANEEN WASTE WATER TREATMENT WORKS Compliance report- Final effluent per month (2011/12)													
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	LICENCE
pH	6.52	6.52	7.1	8.16	7.25	6.41	8.21	7.22	8.98	6.69	7.26	7.41	5.5-9.5
Conductivity (mS/m)	44.9	44.9	46.1	38.2	41.4	41.1	31.2	38.6	37.5	38.6	39.6	46.5	100
Nitrate (as N) mg/l	22.1	22.1	11.9	13.8	3	29.1	2.8	12.7	9.7	11	15.8	2.1	15
Ammonia (as N) mg/l	<0.15	<0.15	9	1.7	10.6	1.3	0.88	0.33	5.5	6.3	0.22	9.1	1
Chemical Oxygen Demand (COD) mg/l	26.9	26.9	27.2	31.3	12	42.7	20.5	18.8	30	72.8	18.8	23.7	75
Orthophosphate (as P) mg/l	6	6	4	4.4	6.6	6.2	2.3	4.3	4	4.1	4.3	4.8	1
Suspended Solids mg/l	<4	<4	<4	<4	<4	4	<4	3	<4	9	3	<4	25
Free Res. Chlorine (mg/l)	0.5	0>50	—										
E.Coli (count/100ml)	—	—	500	700	0	0	0		1	0	0	0	0
Total Coliform Bacteria(count/100ml)													

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Table 27: Sanitation Service Delivery targets for 2011/12 as in the SDBIP

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Accessible services	% of households with access to basic level of sanitation	35%	41%	None
Maintenance on Water and Sewer Network	Operations and maintenance sewer (distribution networks)	Maintain 100% compliance to maintenance schedules. 100% expenditure	Maintain 100% compliance to maintenance schedules. R 288 590 of R 300 000 spent. (Initial budget was R 900 000.00 with R 600 000. transferred to another vote leaving the vote with R 300 000.00	None
	Replacement of flocculent mixers	Replacement of flocculent mixers 100% completed by 30 March 2012	Flocculent mixer is installed and operating.	None

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Table 28: Employees - Sanitation Services 2011/12						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	0	0	0%	0	0	0
Level 4-6	4	2	50%	4	2	50%
Level 7-9	0	0	0%	0	0	0%
Level 10-15	18	7	61%	18	8	55%
Level 16-17	8	6	25%	8	6	25%
Total	30	15	50%	30	16	

3.3 ELECTRICITY

Currently the GTM is on track for universal access to electricity in 2014. Our top service delivery issues are insufficient capacity to fulfil the load (currently being addressed) and the dilapidated state of our distribution system and most importantly electrification demands. Major successes were the implementation of the capacity increase project which is running over a number of years and has already seen the construction of a dual circuit 66kv overhead line and 40MVA “Western Substation”, to the value of R53 million for phase I. Phase II of the project which includes the laying of a cable network, or main ring, will proceed as soon as the required funding is procured. As stated, electrification is also progressing well thanks to grants and top up funding.

We are in the process to develop prepaid in the Greater Tzaneen Municipal license area. As a result we adopted the ACTOM meter system and monitoring software together with the Contour vending system. We are currently the first in the country with this new technology and have proudly hosted other Municipalities on a ‘show and tell’ demonstration. Presently we have about 485 standard CBI prepaid meter customers and 74 split prepaid meters with the ACTOM system. There are requests from conventional customers to convert to prepaid.

GTM has an electrification priority list that is regularly updated to ensure the full scope of needs is known. The IDP is a major tool in identifying poor communities and the appropriate allocation of

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funds to alleviate their plight. Service providers are the Municipality and Eskom, each in their respective licensed areas. Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

Table 29: Household access to electricity 2008/09 - 2010/11						
Level of access	2009/2010		2010/2011		2011/2012	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Electricity connection (at least minimum level)	71 209	79.3%	71 209	79.3%	76 600	85.27%
Electricity connection - prepaid	466	0,52%	540	0,6%	0	0%
Electricity below minimum level	0	0	0	0	0	0
No access to electricity	18 622	20.7%	18 622	20.7%	13 323	14.83%
Total Households	89 844		89 844			
Nr of Households receiving Free Basic Electricity	7339	8.17%	7339	8.17%	6 842	84.14%
Budget allocation for Electricity services	R21 Million		R10 Million		R5 Million	

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Table 30: Service Delivery Targets for Electricity as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Electricity network upgrade and maintenance	R-value electricity maintenance	R 5 267 182	R 7 289 510	None
Cost Recovery	% of Electricity losses	12%	17%	None
	R-value of electricity loss	Reporting only - no target	R 3 852 556.61	None
	Total kwh electricity loss	Reporting only - no target	6 341 093	None
Accessible services	Nr of households with access to basic (or higher) electricity	77 116	76 600	1159 Units on Construction due to Late Appointment of Contractor and late Approval of Designs by Eskom
	Nr of households with access to free basic electricity	8300	6704	
	% households earning less than R1100 with access to basic electricity	Information not available	Information not available	
Electricity	% electricity backlog (# Households that needs electrical connections / Total # households as %) (Electrification)	11.8%	14.7%	Backlog Updated in 2011/12 Financial Year
	# of new electricity connections in licensed distribution area	Reporting only - no target	39 New connections and 24 upgrading of connections	
	% increase in Councils' maximum demand (MVA)	Reporting only - no target	7,6%	

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Table 30: Service Delivery Targets for Electricity as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Electricity Infrastructure	MVA increase of urban capacity	40	40	
	% of households earning less than R1100 (indigent) served with <u>free basic</u> electricity	Reporting only - no target	82.40%	
	Nkowankowa 66KV line	Projects implemented and completed	Refurbishment of 66 KV Nkowankowa line completed	no Deviation
	Electrical Connections	Upgrade electrical connections	39 New connections and 24 upgrading of connections	
	Electrification of Mokgolobotho and Dan Ext 1&2 (Phase 2)	Electrification of Mokgolobotho (1399 Households) by December 2011	Project Completed and Energized	
	Pre-paid monitoring system and vending station	Implement pre-paid monitoring system (Flora park - pilot project)	Implementation of pre-paid monitoring systems to be initiated early in 2012/13 financial year	
	Strategic Lighting	Identify areas and install lights	Mandlakazi - 8 Lights Installed Politsi Settlement - Lights Installed Marirone - 8 Lights Installed	
Electricity network upgrade and maintenance	Installation of Fire wall protection	Monitor the installation of the firewall protection	28 Fire Walls Installed	
	Airconditioners	Appoint contractor to install airconditioners on request	14 Airconditioners Installed	
	Auto Reclosers	Purchase and Installation of 2 new auto reclosers (3 installations in total)	Three auto Reclosers Installed	
	Capital Tools (Outlying)	Procurement of tools as & when required	New Ladders, Link Sticks & Earth Sets Issued	
	Capital Tools (Town)	Not applicable this quarter	Inverter & Digicap Printer	

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Table 30: Service Delivery Targets for Electricity as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			Purchased	
	Reactive and preventive maintenance on overhead lines and equipment (Outlying)	Ongoing maintenance on overhead lines within Outlying distribution network	Ongoing maintenance on overhead lines within Outlying distribution network	
	Reactive and preventive maintenance on Town distribution, machinery and equipment (Town)	Reactive and preventive maintenance on Town distribution, machinery and equipment (Town)	Reactive and preventive maintenance on Town distribution, machinery and equipment (Town)	
	Rebuilding of Lines	Monitor the rebuilding of lines by contractor.	Refurbishment of D/K line, and rebuilding of 11 KV Rapitsi line, Mushuti line, Deerpark and Setuba Nursery lines completed	No Deviation
	Refurbish of distribution network (Outlying)	Ongoing maintenance on Outlying distribution network	Ongoing maintenance on Outlying distribution network	
	LED lights for Robots	Not applicable this quarter	LED Lights Purchase and Installed	
	Streetlight Maintenance (Town)	Maintain all street lights in municipal area	Ongoing maintenance on Streetlights	
	Substation Maintenance (Outlying)	Ongoing maintenance on substations within Outlying distribution network	Ongoing maintenance on substations within Outlying distribution network	
	Traffic Lights (Town)	Maintain all Robots	All Robots Maintained	
	Distribution Network (Service Contribution)	Allocate funding acquired through service contribution payments to projects for increased capacity	R 6 426 952.05 Allocated as follows: R1 mil Build and equip 33KV Atherstone sub (Georges Valley), R1 mil Install 3 new mini subs in Tzaneen Town & R4mil to Build and equip new Ext 53 Voortrekker sub)	

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Table 30: Service Delivery Targets for Electricity as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			substation Phase 1	
	Upgrading Tzaneen Town network including cables	Installation of cable networks as funds become available through services contributions	Construction of 20 MVA substation 66 KV lines and 90 % of cable works completed. R 2m for cable works to be curried over to 12/13 financial year	Awaiting registrations of servitude for prison substation
	Upgrading protection equipment on substations	Installation and commissioning of protection equipment	No Progress	Could not receive quotations in time from supplier
	Vegetation Control (Outlying)	Ongoing vegetation control on overhead lines within Outlying distribution network	Ongoing vegetation control on overhead lines within Outlying distribution network	
Electricity provisioning	Total electricity purchased (in kWh)	Reporting only - no target	376 542 894	
	The total electricity supplied & metered (in kWh)	Reporting only - no target	313 111 801	
Electrification of villages (Eskom licensed area)	# of new household connections in villages (DME grant)	2173	2115	1159 Units on Construction due to Late Appointment of Contractor and late Approval of Designs by Eskom
	Lenyenye 225 units electrification	Monitor progress on project implementation and report to Management	Project Completed and Energised	None
	Burgersdorp (76) & Gavaza (113)	Monitor progress on project implementation and report to Management	Project at Construction Phase	None
	Serare (338 Units)	Monitor progress on project implementation and report to	Project Completed and Energised	None

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Table 30: Service Delivery Targets for Electricity as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		Management		
	Mogapeng (145 Units)	Monitor progress on project implementation and report to Management	Project Completed and Energised	None
	Miragoma/ Ramochinyadi (264)	Monitor progress on project implementation and report to Management	Project Completed and Energised	None
	Makaba electrification (250 units)	Monitor progress on project implementation and report to Management	Project Completed and Energised	None
	Mookgo 6 & 7 (146 units)	Monitor progress on project implementation and report to Management	Project at Construction Phase	None
	Joppie (186 units) & Mavele (410 Units)	Monitor progress on project implementation and report to Management	Project Completed and Energised	None
Financial Management and Budgeting	% of capital budget for electricity spent	100%	94%	

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Table 31: Employees - Electricity Services						
Job level	2010/2011			2011/2012 ¹		
	Nr of Posts	Nr of Posts	Nr of Posts	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	4	4	4	4	3	25%
Level 4-6	23	23	23	33	19	57.5%
Level 7-9	11	11	11	86	46	53.4%
Level 10-15	52	52	52	0	0	0
Level 16-17	31	31	31	63	41	65%
Total	121	121	121	186	109	58.6%

Table 32: Financial Performance 2011/12: Electricity Services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	R 6 469.85	R 5 000	R 5 000	R 6 244	R -1 244
Expenditure:					R 0
Employees	R 20 352.52	R 23 438	R 23 438	R 22 665	R 773
Repairs & Maintenance	R 26 718.09	R 10 496	R 10 439	R 10 034	R 405
Other	R 239 640.21	R 259 594	R 259 594	R 265 485	R -5 891
Total Operational Expenditure	R 293 180.67	R 293 528	R 293 471	R 298 184	R -4 713
Net Operational (Service) Expenditure	R 286 710.82	R 288 528	R 288 471	R 291 940	R -3 469

Table 33: Capital Expenditure 2011/12: Electricity Services (R'000)					
Capital Projects	2011/2012				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Rebuilding of lines	R4 000 000	+R450 000	R4 402 238	R402 238	R4 402 238

¹ During 2011/12 GTM converted to TASK levels from the old Van Der Merwe system therefore the number of employees in the different levels are not exactly comparable.

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Table 33: Capital Expenditure 2011/12: Electricity Services (R'000)					
Capital Projects	2011/2012				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Letsitele Transformer Replacement	R4 500 000	-R450 000	R4 044 146	R455 854	R4 044 146
Capacity Project	R53 550 000	+R1 800 000	R53 098 697	R451 303	R53 098 697
Nkowankowa 66 kV Line	R2 000 000	- R1 800 000	R168 944	R1 831 056	R168 944
Pre-paid Monitoring	R500 000		R494 041	R5 959	R494 041
Airconditioners	R150 000		R108 884	R41 115	R108 884
Replace LT Cables	R120 000	R5 000	R119 239	R6 260	R119 239
Strategic Lighting	R155 000		R120 384	R34 615	R155 000
Capital tools (Urban)	R275 000		R12 305	R146 694	R146 694
Robot LED Lamps	R80 000	R24 500	R104 372	R24 500	R104 372
Protection Equipment	R70 000	0	0	0	0
Capital Tools Rural	R220 000		R211 032	R8 968	R211 032
Auto Reclosers	R880 000		R894 121	R14 121	R894 121
Firewalls Rural	R550 000		R473 239	R76 761	R473 239
Total	R6 7 050 000		R64 251 642	R3 499 444	R64 420 649

The three highest priority capital projects are electrification, increasing of capacity and rebuilding of overhead lines. Variances on these largest capital projects are minimal and the projects are currently on time and track. We are also not expecting any likely variances at this stage on the future spending pattern. We have concerns about achieving our targets due to financial constraints. The only agreement with Eskom, other than our normal supply agreement, is the Municipal Use of System (MUOS) whereby GTM supplies Eskom consumers via the GTM distribution system. This agreement expired in 2012 and negotiations are underway

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3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

International guidelines / prescriptions for waste management are as follows:

- The Rio declaration
- The Agenda 21 principles
- Kyoto protocol
- The recent Copenhagen agreement
- 9 other International agreements

The National context for waste management includes:

- The Bill of Rights (Section 24) of the National Constitution provides as follows:-“Everyone has the right to an environment that is not harmful to their health or well-being”
- The Environmental Management Act (Act 107 of 1998)
- The Environmental Waste Management Act (Act 59 of 2008)
- Environmental Conservation Act (Act 73 of 1989)
- The Solid Waste By-Laws (Notice 12 of 1990)
- The Waste Management Policy

Waste quantities and characteristics

General Waste: 61,842 m³ (59.46 t/day)

Health Care Waste: 385.14 m³

Garden Waste: 13,376 m³

Geographic Distribution

The jurisdiction of GTM is divided by the main roads from Politsi via Tzaneen, Tarentaalrand, Letsitele and Trichardtsdal, in a Northern and Southern service region

Mandate

The mandate of GTM is to provide all households with a basic removal service to protect the environment for the benefits of future and present generations through legislative and other

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measures to prevent pollution and ecological degradation promote conservation to secure sustainable development to achieve the International & National goals. The Integrated Waste Management Plan's objectives are to:-

- To provide all households with a basic removal service
- To protect the environment for the benefits of future and present generations
- To prevent pollution and ecological degradation
- To promote conservation to secure sustainable development

DESCRIPTION OF THE REFUSE COLLECTION FUNCTIONS

Waste Minimization (Recycling)

Recycling at source ("yellow-bags") was undertaken in Tzaneen residential areas up until Sept'09, whereafter the M.S.P. (Municipal Service Provider) withdrew due to fluctuating market-prices. The intervention required is the procurement of a M.S.P. to undertake recycling at source & operations of Buy-back-Center/s.

Waste Minimization-Composting

± 13,376m³ organic waste (garden) is treated at a basic technology (no tub-grinder is available) composting site, bulky organic waste can however be composted therefore the procurement of a M.S.P. with appropriate equipment to operate an appropriate-technology compost plant, as part of Landfill management must be considered.

Waste Minimization-Rural Waste Minimization

10,767 or 11.5% urban households of 93,825 households receive a full curbside service, where 88.5% of households are not serviced at present. There is a lack of Community Development Workers (CDW) to do awareness activities at Eco-club schools, where 40 C.D.W.'s are required to do awareness at 97 Eco-clubs. The re-use of firewood from the Landfill are available and delivered to rural Drop off Centres (DoC) for utilization by communities, to mitigate deforestation-practices. 97 DoCs were erected at present, but it is anticipated that it will become "White Elephants" if dedicated intervention are not implemented i.t.o. the National B.R.R. Policy through the declaration of demarcated localities for BRR Services, the Financing of basic refuse removal services and the

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provision of accurate and updated indigent registers, the Institutionalization of BRR service the registration of IDP projects and the appointment of service providers from the community.

Collection & transportation

A full curbside collection service is rendered at following suburbs, which represents only 11.5% of all households,-

- Nkowankowa
- Lenyenye
- Letsitele
- Haenertsburg
- Tzaneen

88.5% of all households representing rural households do not receive a basic service. The cost to address the service in full (urban & rural), with immediate effect, will be approximately R78, 000,000-00 per annum for all 129 villages.

Litter Picking

Urban streets, main roads & urban taxi / bus ranks are cleaned on a regular and period schedule from all debris and solid waste, where 5,312 m³ are collected monthly. Roads and streets in rural areas are not being attended to

Vehicle replacements

No backlogs exist currently but replacements must start during the 2014//15 financial year. Appropriate vehicles are however required to transport Health Care Waste.

Treatment & disposal

One 11ha permitted landfill classified as a G.M.B- site, are managed in compliance with specifications, with an expected life-span of the site is +- 12 years. H.C.R.W. is removed to a permitted and approved treatment facility in Gauteng. There is no weather – proof entrance or internal roads at the Landfill Drop off centers. Drop-of Centers (DoCs) are located at:

- Nkowankowa
- Lenyenye
- Letsitele

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- Haenertsburg

All D.o.C.s are managed by a Service Provider, 6m³ skips utilized for this purpose and are cleaned on a daily basis at the Tzaneen Landfill. Political engagement with M.D.M. is required to initialize the establishment of a District Landfill in accordance with the National Waste Sector Plan. R 15,000,000-00 required to select, rank and erect a new site. The procurement of a M.S.P. to undertake bulk-removals at D.o.C.s and the procurement of a M.S.P. with appropriate equipment to operate the Landfill Site (included appropriate-technology compost plant, as part of Landfill management) is required. The Civil Engineering Manager must also address Roads & Storm water maintenance, as requested annually during budget-cycle.

Pollution control

9 public toilet blocks managed at the following locations:-

- 6 blocks at Tzaneen
- 1 block at Nkowankowa
- 1 block at Letsitele
- 1 block at Haenertsburg
- 1 block at Lenyenye is not operational

Law Enforcement

The appointment of 2 Environmental Law Enforcement Officers delayed due to lack of Workload-assessment & organizational layout. There is also a lack sufficient number of C.D.W.'s in the Rural Waste Programme, the Law Enforcement Division must address the issue of appointments.

Management, Administration, Communications & Logistics

In order to manage solid waste removal more efficiently the following is required:

- Administrative support
- Sufficient budget-provision
- G.I.S. – Lack of operational applications software
- Networking - Lack of network at “outside” offices
- Electronic “Data-capturing”
- Organisational Development interventions by H.R.

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Service beneficiaries:

- Residential removals: 10,775 households
- Business removals: 562
- Own removals-villages (no service): 79,134 households

M³ of refuse disposed

- Domestic & Commercial: 61,843m³
- Garden: 13,377m³

Total operating cost:

- Operating cost of collections & disposal: R31.1milj
- Operating cost of litter picking: R 13,1milj
- Operating cost of public toilet: R 3.0milj
- Total: R47.2milj

Table 34: Household access to solid waste collection services 2008/09 - 2011/12

Level of access	2009/2010		2010/2011		2011/2012	
	Nr of Households	% of Total	Nr of Households	% of Total	Nr of Households	% of Total
Solid waste removal once a week	9892	11%	9892	11%	10775	12%
Removal less frequently than once a week	0	0%	0	0%	0	0%
Using communal dump + own refuse dump	80034	89%	80034	89%	79,134	88%
Using own refuse dump	above	above	above	above	above	Above
Other disposal	0	0%	0	0%	0	0%
No waste disposal	0	0%	0	0%	0	0%
Total Households	89926	100%	89926	100%	89926	100%
Nr of Households receiving Free Basic Waste services	9940		13737		13377	
Budget allocation for Solid waste collection services	R 32,158,579		R 37,500,307		R 47,200,000	

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Table 35: Service Delivery targets for Waste as set out in SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Accessible services	Nr of households with access to basic (or higher) refuse removal (Urban)	10,775	10,775	N/A
	Nr of households with access to basic (or higher) refuse removal (Rural)	6979	6979	N/A
	% Households with access to basic level of solid waste removal	11%	12%	
	% households earning less than R1100 with access to basic waste removal	Information not available	Information not available	N/A
Waste management	Regional Landfill site	Liaise with Mopani District Municipality to facilitate the establishment of a regional landfill site.	Continuous liaison with Mopani District Municipality to facilitate the establishment of a regional landfill site via e-mail correspondence - POOR RESPONSE	No response from Mopani about regionalization
	Operationalisation of Rural Waste Drop Off Centres (Pilot run)	Manage the process of operationalising 5 DOC's as pilots.	* 7x 'Civic - Groups' (pilots) was operationalised at 7x 'demarcated' Waste Service Areas. *The 7x 'Civic - Group' is also registered on the E.P.W.P remuneration scheme. * Note:	Due to budget constraints a full service cannot be implemented at the 66x rural W.S.A's

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Table 35: Service Delivery targets for Waste as set out in SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			Due to budget constraints a full service cannot be implemented at the 66x Rural W.S.A's.	
	Collection & Transportation-Kerbside collections (Bin replacement)	Procurement of 80 bins	The quotations were advertised and was technically evaluated, awaiting approval from CFO and MM	Approval from CFO and MM outstanding
	Collection & Transportation-Kerbside collections (Contracted Litter picking)	100% compliance to litter picking schedules (Tzaneen(50%), Region North) and 100% expenditure	100% compliance to litter picking schedules (Tzaneen(50%), Region North) and 100% expenditure	
	Collection & Transportation-Kerbside collections (Contracted Litter picking)	100% compliance to litter picking schedules (Nkowankowa (50%), Region (South) and 100% expenditure	100% compliance to litter picking schedules (Nkowankowa (50%), Region (South) and 100% expenditure	
	Collection & Transportation-Kerbside collections (Health Care Waste)	100% compliance to healthcare waste removal schedules and 100% expenditure	100% compliance to healthcare waste removal schedules and 100% expenditure	
	Collection & Transportation-Kerbside collections (Lenyenye)	100% compliance to waste removal schedules (Lenyenye) and 100% expenditure	100% compliance to waste removal schedules (Lenyenye) and 100% expenditure	
	Collection & Transportation-Kerbside collections (Municipal Litter picking)	100% compliance to litter picking schedules (Tzaneen, Letsitele & 50% Nkowankowa) and 100% expenditure	100% compliance to litter picking schedules (Tzaneen, Letsitele & 50% Nkowankowa) and 100% expenditure	
	Collection & Transportation-Kerbside collections (Municipal)	100% compliance to waste removal schedules (Tzaneen, Letsitele, Haenertsburg) and 100% expenditure	100% compliance to waste removal schedules (Tzaneen, Letsitele, Haenertsburg) and	

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Table 35: Service Delivery targets for Waste as set out in SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			100% expenditure	
	Collection & Transportation- Kerbside collections (Nkowankowa)	100% compliance to waste removal schedules (Nkowankowa) and 100% expenditure	100% compliance to waste removal schedules (Nkowankowa) and 100% expenditure	
	Collection & Transportation- Kerbside collections (Urban & D.o.C's)	100% compliance to bulk removal schedules and 100% expenditure	100% compliance to bulk removal schedules and 100% expenditure	
	Pollution Control (Public Toilets)	90% daily compliance to public toilet operations and schedules 100% expenditure	100% daily compliance to public toilet operations and schedules 100% expenditure	Lenyenye toilets was operationalized
	Pollution Control (Upgrading ablutions facilities)	Attend to ablution maintenance as per requisition to CEM 100% expenditure	CEM attends to ablution maintenance request with 75% expenditure. The extension for more toilets to accommodate the visitations was not yet being complied with by CEM.	No extension of ablution facilities due to non alignment of projects with internal departments
	Treatment & Disposal (Landfill operations)	90% daily compliance to landfill permit conditions 100% expenditure	95% daily compliance to landfill permit conditions 100% expenditure	
	Treatment & Disposal(Landfill auditing)	Conduct External landfill audit during April Conduct 4th internal audit on landfill site	External landfill audit was not conducted in April. Conduct 4th internal audit on landfill site 17 June 2012	External audit was not conducted by Prov. Department at 30/06/2012

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Table 36: Employees - Solid Waste Services						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0
Level 4-6	4	2	50%	14	3	78.5%
Level 7-9	1	1	0	*	*	
Level 10-15	12	11	8.3%	14	11	13.3%
Level 16-17	124	88	29%	124	88	29%
Total	142	103	27.5	152	103	32.3%

Table 37: Financial Performance 2011/12: Solid Waste Services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	R 12,971,298	14711	14711	1705	13006
Expenditure:					0
Employees	R 15,363,782.78	12180	12180	13055	-875
Repairs & Maintenance	R 4,034,402.81	3449	3449	2563	886
Other	R 21,847,646.18	15654	14654	7443	7211
Total Operational Expenditure	R 41,245,831.77	31283	30283	23061	7222
Net Operational (Service) Expenditure	R 28,274,533.77	16572	15572	21356	-5784

No capital projects were implemented for Waste Collection during 2011/12.

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3.5 HOUSING & BUILDING CONTROL

3.5.1 HOUSING

All projects are developed in terms of the approved Integrated Residential Development Programme. All rural projects are implemented in terms of the Rural Housing Subsidy Programme. The Greater Tzaneen Municipality prioritize the wards which have least RDP houses. Five hundred and ninety (590) beneficiaries were identified from Senakwe (150), Hapelane (115), Mantswa (50), Farm housing at Tshamahansi Letsitele (70) and Maribethema (75) benefitted in 2011/12 financial year. Additional 399 units was allocated as follows: Mantswa (47) Mawa-block 9 (59), Zangoma (58), Senopelwa (186), Petanenge (1), Senakwe (27). The total allocation was 989 units for 2011/12 financial year.

Table 38: Percentage of households with access to basic housing

Year	Total Households	Households in informal houses	% of HH in formal settlements
2010/2011		20 000	N/A
2011/2012*	108926*	7 729	7.01%

*Number of Households as established through Census 2011

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Table 39: Housing Service Delivery targets for 2011/12 as set out in the SDBIP

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Housing	RDP Housing (Senakwe, Senopelwa, Ga-pelane, Mantswa & Ward 1, Maribethema, Tsamahansi)	Monitor project implementation & Report on progress with RDP housing at Ward 1 (415), Senakwe (150), Senopelwa (115), Ga-pelane (100) and Mantswa (50), Maribethema (75), Tsamahansi (70)	All houses for 2011/12 financial year have been completed.	N/A
	Emergency Housing (30 units)	Not applicable this quarter	All 30 units completed. The units are distributed in the Municipal area.	N/A
	560 units for un blocking of the blocked project. Wards- 4,5,10,11,16,19,23,24,28,29, 30 and 34	Continuous monitoring through meetings and site visits	Continuous monitoring through meetings and site visits	The unblocking of units is done in phases depending on availability of funds from COGHSTA.
	Audit of 540 Units (Dan Ext 1 & 2)	Not applicable this quarter	Completed audit report at Dan Ext.2 and received 400 title Deeds.	N/A
	Housing project 2011/12	Monitoring project implementation through meetings, site visits and receiving feedback	Housing Consumer Education done for all ward councilors and ward committee members for Bulamahlo and Lesedi cluster	N/A
	Pioneer housing tenants	Allocation and administration of tenants Handling of queries	5 houses were allocated for the financial year. All administration of tenants and Handling of queries were done in	N/A

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Table 39: Housing Service Delivery targets for 2011/12 as set out in the SDBIP

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Administration of tenants at Portion 6 of Pusela 555LT and development of plans	Administration of tenants and handling of queries	consultation with tenants. 100%. All tenants have signed lease agreement. All queries are being attended to.	N/A

Table 40: RDP Housing projects 2011/12

Village (Location)	Commencement date	Nr of Unit allocated	Number completed	Challenges/Achievements
Senopelwa	April 2011	357	302	58 units relocated to Mawa Block 9 because of big structure in some beneficiaries which were identified.
Mantshwa	April 2011	97	97	
Senakwe	April 2011	173	168	5 units relocated to Morapalala as it falls under the same ward.
Ga- pelane	April 2011	124	124	
Dan	April 2011	3	3	
Zangoma	April 2011	59	59	
Petanenge	April 2011	1	1	
Morapalala	April 2011	5	5	
Mawa- Block 9	April 2011	58	58	
Maribethema	April 2011	75	75	
Letsitele	April 2011	70	70	
Matipane	April 2011	3	3	
Morutji	April 2011	1	1	

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Table 40: RDP Housing projects2011/12				
Village (Location)	Commencement date	Nr of Unit allocated	Number completed	Challenges/Achievements
Mothomeng	April 2011	5	5	
Botlodi	April 2011	2	2	
Mohlakong	April 2011	2	2	
Seopeng	April 2011	2	2	
Lephepane	April 2011	8	8	

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The Land & Human Settlement Division has an approved organogram of 15 positions, six of which have been filled.

Table 41: Employees for Land and Settlement function						
JOB LEVEL	2010/2011			2011/2012		
	No of posts	Positions filled	Vacancy rate	No of posts	Positions filled	Vacancy rate
Level 0-3	1	1	0	1	1	0
Level 4-6	7	2	57%	4	2	50%
Level 7-9	4	2	50%	4	3	90%
Level 10-15	1	1	0	3	0	100%
Level 16-17	0	0	0	0	0	0

DEVELOPMENTAL STRATEGIES AS PER THE IDP - PED to update

- Compliance to the requirements of Municipal accreditation by Cooperative Governance Human Settlements and Traditional Affairs.
- Embark on training programmes and awareness campaign for Councillors, ward Committees and Communities on services rendered by the Division on housing units.
- Alienation of serviced land.

LAND & HUMAN SETTLEMENT DIVISION FUNCTIONS

The Municipality supplies the following functions concerning land in our jurisdiction:

- Alienation of land
- Expropriation of land
- Lease agreement
- Illegal occupiers
- Informal Settlements
- Street closures
- Park closures
- Encroachment and servitude lines

Human Settlements Functions

- Administration of housing units funded through National and Provincial Government

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Roles and responsibilities Pioneers Old Age Home

- Administering the application forms for data base
- Attending challenges submitted to Council
- Administering of Lease Agreement
- Attending cases updated

CHALLENGES ON LAND MANAGEMENT

- Illegal occupation of Land in own state land held in trust by traditional Councils
- No serviced stand to meet the demand.

CHALLENGES EXPERIENCED ON RDP HOUSING BENEFICIARY LISTS

- Backlog figure is not reflected in terms of income levels and special needs.
- Waiting lists are not in accordance to the National Criteria, no Housing Subsidy System (HSS)
- Continuous replacements of beneficiaries by Councillors.
- Not all stakeholders involved in the identification of beneficiaries are familiar with the National requirements to qualify for a housing subsidy.
- The public complains about identified beneficiaries but do not submit comments or objections during publication of lists.
- Notices for comments are published in English only.
- Selling and demolishing of RDP units.
- Emergency lists submitted are scattered and this has negative cost implications.
- Minimal participation of beneficiaries/ownership of projects.

CHALLENGES EXPERIENCED ON INSTITUTIONAL MATTERS

- Greater Tzaneen Municipality has only been engaged in few housing programmes.
- Housing funds are controlled and allocated by Cooperative Governance Human Settlements and Traditional Affairs.
- Disasters are not budgeted for.
- Greater Tzaneen Municipality is predominantly rural and this poses a problem in balancing backlogs vs. spatial growth patterns through the provision of low cost housing.
- Scarce land for development in the townships and some villages.

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- An integrated approach in addressing the needs of communities is still lacking
- Stand numbers in some villages cannot be detected clearly.
- Problems and concerns on the housing projects raised with COGHSTA are rarely addressed.
- Some of the developers never communicate with GTM on work scheduled and never make appointments for inspections.
- Developers are usually in a rush to complete projects and be paid. As a result beneficiaries are triggered to sign the “happy letters” without consulting the building inspectors.

CHALLENGES EXPERIENCED ON LED/QUALITY ISSUES

- Poor workmanship by most of the local builders. A challenge in effected LED
- No database for skilled, qualified construction related workers within Municipal area.
- Locally manufactured building material seldom qualifies for SABS.
- No measures for quality control (e.g. monitoring number of cement bags used per unit).
- Sustainability of existing skills.

HOUSING CONSUMER EDUCATION

- All clusters were trained on Housing Consumer Education four people per ward which is Ward Councilor Housing portfolio head, Secretary and Headman on the 11th and 12th of March 2011 total of 400.
- Four hundred and forty five 445 beneficiaries from Senakwe, Hapelane, Mantswa and Farm Housing at Tshamahansi, Letsitele were trained.

HOUSING BACKLOG

The Municipal housing backlog is standing at twelve thousands five hundred and ninety (12590) pending the renewal of beneficiaries for 2012 to 2015. Middle income backlog is standing at one thousand and six hundred and ninety eight (1698).

LAND AND PROPERTY

The Transfer of sites at Nkowankowa Section C from Greater Tzaneen Municipality's to occupants is 200 and at Dan Extension 2 is 472.

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Erf 745: 1- 31

Pusela 6

The new lease agreements were signed by the Tenants to rent the units as family units from 1st of July 2011 to 30 June 2012.

Portion 292 and 293 of the farm Pusela 555LT (TALANA HOSTEL AND SURROUNDING)

The property was donated by the Department of Public Works, a Deed of donation has been signed by the two parties, and we are waiting for the transfer of the property in the name of the Council by 20th March 2012.

Pioneers

Four lease agreements have been signed for the 2011/12.

AREAS EARMARKED FOR DEVELOPMENT

Council has entered into land availability with the developers in the following extensions:

Table 42: Land Developments	
Town	Developer
Dan Extension 1	Dewcon
Tzaneen Extension 13	Phethego Project
Tzaneen Extension 53	Phadima Holdings
Tzaneen Extension 60	Solidarity Developers
Tzaneen Extension 78	Ngoma Trading

The Department of Local Government and Housing funded the Installation of Civil Engineering Services (Water, Sewer and Road grading) at Dan Extension. The project is at the completion stage. VCL Consulting & associates and Diges Civil and Structural Engineers has been appointed by Department of Local government and Housing to design and construct Civil Engineering Services which includes water, road grading, sewer and to conduct Geo-technical of 1000 sites which is 500 each.

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3.5.2 BUILDING CONTROL

The Building and Maintenance Unit is responsible for providing Building control services as specified in the National Building Regulations (1977). The unit must also maintain all council owned Buildings to ensure that they comply to the Occupational Health and Safety Act (Reg 1039 of 2005). Lastly, the unit is responsible for fleet management for the entire GTM to ensure that vehicles are available for departments and also maintenance of all council owned vehicle.

The unit is receiving ±40 building plans per month and almost half are returned for corrections. The Municipality is approving ±22 building plans per month, which are being approved within the 30 day period as stipulated in the building regulations. The process involved in approving building plans is that after payment of plan/administration fees, a file is opened, then circulated to various departments for respective comments and once all the requirements are met, an approval letter is issued to the applicant. There's a general decline in number of building plans approved due to non financing by banks and other financial institution and also the effects of the global economic meltdown in some European countries, including after effects of the recession.

Table 43: Square meters and value of building plans approved 2009/10 - 2011/12

	2009/2010		2010/2011		2011/2012	
	Area (m ²)	Value (R)	Area (m ²)	Value (R)	Area (m ²)	Value (R)
New houses approved	16 327	R 57 144 500	13 266	R 53 064 000	16 957	R 67 828 000
Additions to existing houses approved	4 536	R 15 876 000	2 182	R 8 728 000	5 849	R 23 396 000
New shops approved	2 057	R 7 199 500	1 327	R 5 308 000	538	R 2 152 000
Additions to existing shops approved	0	0	0	0	0	0
Additions to existing industrial approved	7 275	R 25 462 000	538	R 2 152 000	6 152	R 24 608 000
New churches approved	0	0	0	0	0	0
New townhouses approved	2 528	R 8 848 000	496	R 1 984 000	2 691	R 10 764 000
New other (cell phone towers) approved	3 975	R 13 912 500	940	R 3 760 000		

The staff compliment of the division is presented below in **Table 44** below:

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Table 44: Employees – Building and Maintenance (2011/12)

Job level	2010/2011			2011/2012		
	Nr of Posts	Nr of Posts	Nr of Posts	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0
Level 4-6	12	9	3	12	10	16.6%
Level 7-9	3	3	0	3	3	0
Level 10-15	12	6	6	12	4	66.6%
Level 16-17	13	9	4	13	10	30%
Total	41	28	13	41	28	31.7%

Table 45: Capital Project Expenditure 2011/12: Building and Maintenance (R'000)

Capital Projects	2011/2012				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Securing of rates hall and installation of lift at the civic centre	500 000	R1 000 000*	R 179 165.25	-R1320834.85	R1 500 000
Total	500 000	R1 000 000*	R 179 165.25	-R1320834.85	R1 500 000

*Provision was made during the budget Adjustment for additional funding to cater for installation of a lift for disabled accessibility to the civic centre building. The budget roll over was approved by council.

Table 46: Financial Performance 2011/12: Building and Maintenance (R'000)

Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	843	436	436	752	R -316
Expenditure:					R 0
Employees	5001	5794	5794	6233	R -439
Repairs & Maintenance	508	954	954	614	R 340
Other	4829	4373	4373		R 4 373
Total Operational	10338	11 121	11 121	10 119	R 1 002

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Table 46: Financial Performance 2011/12: Building and Maintenance (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Expenditure					
Net Operational (Service) Expenditure	-9495	10 685	10 685	9367	-14%

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

The Municipal Council gives priority to the basic needs of the community, promote the social and economical development of the community and ensure that all residents and communities in the municipality have access to at least the minimum level of basic municipal services in terms of Section 152 (1) (b) and 153 (b) of the constitution. Basic services are generally regarded as to be access to electricity, clean water within reasonable distance, basic sanitation, solid waste removal and access to and availability of roads.

The key purpose of an indigent subsidy policy is to ensure that households with no or a low income are not denied a reasonable service, and on the contrary the Local Authority is not financially burdened with non-payment of services. Provided that grants are received and funds are available, the indigent subsidy policy should remain intact. To achieve this purpose, a threshold income level of a maximum R2 400 per household applies. The consumer, in order to qualify as an indigent, needs to complete the necessary documentation as required and agree to regulations and restrictions stipulated by Greater Tzaneen Municipality.

Table 47: Free Basic Services to Low Income Households*									
	Registered Indigents	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Waste Removal	
Year	Total HH	HH with Access	% with access	HH with Access	% with access	HH with Access	% with access	HH with Access	% with access
2009/2009	32 009	2090	MDM	2090	MDM	5862	82%	5862	11%
2009/2010	30 000	905	MDM	905	MDM	7173	83%	7173	11%
2010/2011	23 089	919	MDM	919	MDM	9700	85%	9700	12%
2011/12	11161	1560	MDM	1367	MDM	7350	85%	1385	12%

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Table 48: Financial Performance 2010/11: Cost to the Municipality of Free Basic Services Delivered (R'000)					
Service	2010/2011	2011/2012			
	Actual Expenditure	Budget	Adjustment Budget	Actual Exp	Variance to budget
Electricity	R2 623	R3 500	R3 500	R2 837	R663
Waste Collection	R 995	R959	R959	R807	R152
Total	R3618	R4 459	R4 459	R3 644	R815

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Table 49: Free Basic Service Delivery targets as contained in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Accessible services	% of households on indigent register with access to basic water services	Reporting only - no target	4.00%	N/A
	% of households on indigent register with access to basic sanitation services	Reporting only - no target	4.00%	N/A
	% of households on indigent register with access to electricity	Reporting only - no target	100.00%	N/A
	% of households on indigent register with access to a basic level of waste removal services	Reporting only - no target	5.00%	N/A

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Council has adopted an indigent policy who provides for households earning less than R2400, 00 (2XR1200, 00) to have access to basic services through specially subsidized tariffs. Provision is also made on our credit control and debt collection policy for indigent debtors consistently with our rates and tariffs and any national policy on indigents. The equitable share and the free basic electrical grant assist in financing the benefits that the registered indigents are to receive in the form of discounted tariffs for services consumed

COMPONENT B: ROADS & STORMWATER

3.7 ROADS & STORMWATER

Greater Tzaneen Municipality own and manages ± 2300 km of municipal road network. This network comprises of district / connector and municipal / access roads in terms of road classification. The municipality is tasked with the planning, design, maintenance, construction and usage of these roads. It is also required to prevent the deterioration of surfaced roads by conducting preventative maintenance, control of storm water and provision of drainage structures and to surface priority roads.

Roads and stormwater cannot be separated because when there is no proper stormwater drainage system on the road, the life span of the road cannot be guaranteed. To ensure that the road lasts longer you have to keep the water away from the road.

Maintenance of tar roads is done through cleaning of catch pits, patching of potholes and road marking to prevent deterioration. Maintenance of gravel roads is through grading and construction of small bridges and stone pitching. Due to insufficient resources to get all the roads in good condition, priority is given to roads to schools, clinics, grave yards, business areas and roads which are used by public transport. In terms of Roads and Stormwater the following challenges are experienced:

- There is insufficient funds for regravelling and tarring of municipal roads

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- Many of the roads need stormwater management control
- Most of the municipal roads and internal streets are gravel and need more machines than what is available to be maintained regularly.
- No budget for the development of Roads Master Plan
- There are not enough labourers to construct stone pitching, wing walls and other maintenance related tasks which can be done in-house.
- One old grader needs to be maintained and R200,000 is needed for its refurbishment.
- The municipality is sometimes forced to maintain roads which should actually be attended to by the District Municipality and Department of Roads and Transport as they take too long to maintain them. This has a negative effect on our programme and budget.

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Table 50: Road infrastructure 2008/09 - 2010/11

Year	Gravel				Tar/Asphalted			
	Total km	Newly constructed	Upgraded to tar	Maintained	Total km	Newly constructed	Re-sheeted	Maintained
2008/2009	1610	13.14	0	1779	1610	0	0	0
2009/2010	1610	14.73	0	1610	1610	0	0	0
2010/2011	1610	0	0	1478	1610	0	0	0
2011/2012	1610	0	0	1824	1610	0	0	56 727 m ²

Table 51: Cost of construction & Maintenance of roads (2008/09 - 2011/12)

Year	Gravel				Tar/ Asphalt			
	Maintained (Km)	Expenditure (R'000)	Newly Constructed (Km)	Expenditure (R'000)	Maintained (m ²)	Expenditure (R'000)	Newly Constructed (Km)	Expenditure (R'000)
2008/2009	1779	8746580.99	13.14	12800287	7510.92	5480607.35	0	0
2009/2010	1610	7505839.5	14.73	15583206	8000	5090149.3	0	0
2010/2011	1478	12116463	0	0	42488	12812238	0	0
2011/2012	1824	15 222 895	0	0	56 727	12 895 697	0	0

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Table 52: Service Delivery targets for Roads & Stormwater as set out in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Roads and Storm water Infrastructure	% MIG funding spent	100%	61%	1 Project on hold due to court interdict.
	Km of newly tarred roads	21	0	Multiyear road projects
	# of MIG roads projects on schedule	2	1	1 Project on hold due to court interdict.
	Roads masterplan	Monitor progress with the drafting of the Roads master plan	Project was not implemented	The project was supposed to be implemented using VAT savings from MIG projects
	Senakwe to Maropalala	Procurement and appointment of Service Provider	Tender stage for appointment of contractor	N/A
	Speed humps	Implementation of 33 speed humps	100 speed humps completed	N/A
	Mopye low level bridge	Monitoring and completion	Consultant appointed and have just completed the designs	N/A
	Thlako to Sefolwe village low level bridge	Monitoring and completion	Consultant appointed and have just completed the designs	N/A
	Politsi low level bridge	Monitoring and completion	Consultant appointed and have just completed the designs	N/A
	Regravelling of internal streets in Bulamahlo cluster	Implementation pending additional funding	22 km regravelled	N/A
	Regravelling of internal streets in Lesedi cluster	Implementation pending additional funding	13.4 km regravelled	N/A
	Regravelling of internal streets in Relela cluster	Implementation pending additional funding	23 km regravelled	N/A
	Regravelling of internal streets in Runnymede cluster	Implementation pending additional funding	34 km regravelled	N/A

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Table 52: Service Delivery targets for Roads & Stormwater as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Side walk and pavements in Haenertsburg	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	250 m2 side walk paved	N/A
	Side walk and pavements in Lenyenye	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	270 m2 side walk paved	Shortage of labourers to address all areas simultaneously
	Side walk and pavements in Letsitele	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	65 m2 side walk paved	Shortage of labourers to address all areas simultaneously
	Side walk and pavements in Nkowankowa	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	620 m2 side walk paved	N/A
	Side walk and pavements in Tzaneen	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	530 m2 side walk paved	N/A
	Storm water management in Haenertsburg	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	17m stormwater pipe system installed	N/A
	Storm water management in Lenyenye	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	Cleaning of 100m stone pitching and 55 catch pits	N/A
	Storm water management in Letsitele	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	Cleaning of 42 catch pits	N/A
	Storm water management in Nkowankowa	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	890m2 stone pitching constructed and two concrete drifts. 22m stormwater pipe system installed and 105 catch pits cleaned.	N/A
	Storm water management in	100% compliance to planned maintenance	Cleaning and repair of 35 catch pits	N/A

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Table 52: Service Delivery targets for Roads & Stormwater as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Tzaneen	schedule and eradication of backlogs spending to be at 100%	and 19m stormwater pipe system installed and replacement of sub-drains	
	Stormwater management at Bulamahlo Thusong centres	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	2 concrete drifts and 400m2 stone pitching constructed and installation of 16m storm water pipe system	N/A
	Stormwater management at Lesedi Thusong centres	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	1050m2 stone pitching constructed and installation of 16m storm water pipe system	N/A
	Stormwater management at Relela Thusong centres	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	Installation of 3 concrete drift, 1 set of pipes and 2 culverts and 3 v-drains	N/A
	Stormwater management at Runnymede Thusong centres	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	Maintenance of a culvert and low level bridge, construction of 2 culverts and 3 concrete drifts and 1 v-drain	N/A
	Tar patching of sand seal roads	Implementation pending additional funding	1297 m2 tar patching	N/A
	Installation of storm water drain at Nkowankowa B	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	Completed in September 2011	N/A
	Ramotshinyadi to Mokhwati Tar road (11km)	Implementation and monitoring	Construction in progress and is at 42% physical progress	N/A
	Sasekani to Nkowankowa Tar road (8 km)	Implementation and monitoring	Construction on hold due to court interdict	N/A
Roads & Storm water upgrading and maintenance	R-value spent on road and storm water maintenance	R 6 918 361	R 27 622 503	N/A
	Funeral roads in all clusters	100% compliance to requisitions submitted	1824 km funeral and internal streets graded	N/A
	Tar pitching in Haenertsburg	Implementation pending additional funding	31 004m2 tar patching and rebuilding of the street	N/A

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Table 52: Service Delivery targets for Roads & Stormwater as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Tar pitching in Lenyenye	Implementation pending additional funding	3902 m2 tar patching	N/A
	Tar pitching in Letsitele	Implementation pending additional funding	1715 m2 tar patching	N/A
	Tar pitching in Nkowankowa	Implementation pending additional funding	5209 m2 tar patching	N/A
	Tar pitching in Tzaneen	Implementation pending additional funding	14 897 m2 tar patching	N/A

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Table 53: Employees - Roads & Stormwater Services

Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	8	5	37%	9	5	45%
Level 7-9	0	0	0%	0	0	0
Level 10-15	30	16	47%	89	20	78%
Level 16-17	38	15	61%	124	14	89%
Total	77	37	52%	223	39	83%

Table 54: Financial Performance 2011/12: Roads & storm water Services (R'000)

Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)		150 000	R 0	R 150 000	0
Expenditure:					
Employees	R 6 316 701.50	R6 950 577	R0	R6 950 577	0
Repairs & Maintenance	R 24 928 700.00	R30 542 558	R2 000 000	R31 093 576	R2 000 000
Other		R58 389 537	R0	R57 389 537	
Total Operational Expenditure	R 31 245 401.50	R95 882 672	R0	R95 433 690	
Net Operational (Service) Expenditure	-R 31 245 401.50	-R95 732 672	R0	R95 283 690	

Table 55: Capital Expenditure 2011/12: Roads and storm water Services (R'000)

Capital Projects	2011/2012				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Rehabilitation of Claude Wheatley and Taxi rank	9 167 957.00	R5 000 000	R1 153 198	R3 846 802	R9 167 957
Senakwe to Maropalala	R 5 000 000	R5 000 000	R2 138 772	R2 861 228	R9 456 953
Speed humps	R 2 000 000	R2 000 000	R1 928 104	R71 896	R2 000 000
Mopye low level	R 500 000	R500 000	35 418	R464 582	R500 000

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Table 55: Capital Expenditure 2011/12: Roads and storm water Services (R'000)					
Capital Projects	2011/2012				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
bridge					
Thlako to Sefolwe village low level bridge	R 500 000	R500 000	R35 418	R464 582	R500 000
Politsi low level bridge	R 2 500 000	R2 500 000	R0	R2 500 000	R2 500 000
Ramotshinyadi to Mokhwati Tar road (11km)	R 39 976 400	R39 976 400	R11 146 889	R28 829 511	R39 976 400
Rehabilitation of streets in Tzaneen, Nkowankowa, Lenyenye, Letsitele and Haenertsburg	R 6 200 000	R6 200 000	R0	R6 200 000	R6 200 000
Sasekani to Nkowankowa Tar road (8 km)	R31 000 000	R31 000 000	R4 583 693	R26 416 307	R31 000 000
Total	92 676 400	R92 676 400	R21 021 492	R71 654 908	R101 301 310

* Including past and future expenditure as planned

Table 56: 2012/13 Targets for road infrastructure development			
Project name	MIG Fund	Counter Fund	Total
Ramotshinyadi to Mokgwathi Tar Road: Phase 2	R7 904 189.00	R4 847 380.00	R12 751 569.00
Sasekane to Nkowankowa Tar Road: Phase 2	R5 277 191.00	R3 196 368.00	R8 473 559.00
Senakwe to Morapalala Tar Road	R24 800 000.00	R6 485 000.00	R31 285 000.00
Mafarana to Sedan Tar Road	R8 000 000.00	R2 500 000.00	R10 500 000.00
Thapane to Moruji Tar Road - Designs	R8 544 700.00	R2 600 000.00	R11 144 700.00

Table 57: 2013/14 Targets for road infrastructure development			
Project name	MIG Fund	Counter Fund	Total
Mafarana to Sedan Tar Road	R10 600 000.00	R6 128 000.00	R16 728 000.00
Thapane to Moruji Tar Road: Phase 1	R27 105 300.00	R13 785 000.00	R40 890 300.00

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Table 57: 2013/14 Targets for road infrastructure development

Project name	MIG Fund	Counter Fund	Total
Ramotshinyadi Bridge	R13 680 000.00	R4 845 000.00	R18 250 000.00
Project still to be identified	R6 139 820.00		R6 139 820.00

Table 58: 2014/15 Targets for road infrastructure development

Project name	MIG Fund	Counter Fund	Total
Projects still to be identified	R60 701 760.00		

In **Tables 56-58** above the three year plan - the priority list on roads is presented. Priorities were done by Council after needs of communities were received. Capital expenditure for 2011/2012 is very low because of the following factors:

- Slow supply chain processes
- Court interdict delayed construction
- Consultants appointed were very slow to produce documentation

We do not foreseen variation outside the budgets because of the ten percent contingency amounts in the existing budgets. In the previous year only regaveling was done in the budgets.

3.8 LICENSING

The vision of the Licensing and testing division is to be the best performing Licensing and Testing Division in Limpopo. Clients can be assisted at Tzaneen and Nkowankowa DLTC with issuing of learners and drivers licenses and also the renewal of drivers' licenses. The Registration Authority at the main building assists with all vehicle licenses and registration issues.

Challenges faced are:

- Insufficient parking for clients in front of the main building, no air cons and a lack of proper security measures at the counters.
- Applicants that are flocking to the 2 testing stations to get assistance for learners and drivers licenses
- Corruption at the testing stations and the overcrowding of driving schools at the testing stations

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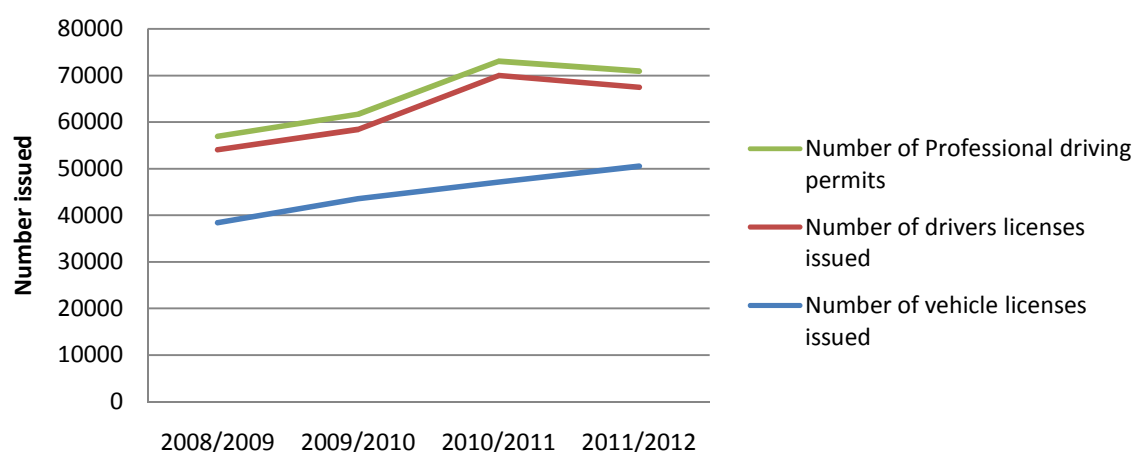
The top 3 service deliveries priorities are vehicle renewal, registration and licensing of vehicles and the issuing of learners and drivers licenses. The outline approach is that all licenses which are issued must be issued in terms of the National Road Traffic Act, procedures and K53 manuals. Initiatives introduced to improve service delivery:

- All offices are open during launch hours and we also assist bigger companies from neighbouring Municipalities in registration and licensing issues.
- We have also introduced the electronic booking system and the electronic learner's license system in Tzaneen DLTC only.
- Establishment of Mopani Licensing Forum where all Municipalities of Mopani District are meeting

Table 59: Licensing and Testing services 2008/09 - 2011/12

Year	Number of vehicle licenses issued	Number of drivers licenses issued	Number of professional driving permits	Revenue collected (R)
2008/2009	38390	15646	2844	R 8 677 681
2009/2010	43531	14826	3259	R 12 424 800
2010/2011	47109	22810	3089	R 24 419 793
2011/2012	50488	16914	3453	R12 45 816

Figure 4: Trends in the issueing of Licenses



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Table 60: Licensing Service Delivery targets for 2011/12 as contained in the SDBIP				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Licensing	R-value generated for vehicle registration (Agency agreement)	Reporting only - no target	16 171 186	N/A
	R-value generated by the issuing of learners and drivers licenses	Reporting only - no target	8 405 209	N/A
	Learners and Drivers and Professional Drivers Permits	Ensure that applications for learners, drivers and Professional Drivers permits are processed	Issued 6869 L/L Issued 16419 D/L Issued 3453 Prdp's	N/A
	Vehicle registration and licensing	Ensure that all vehicle registration and licensing applications are processed within a reasonable time	V/Registration 12827 and 50488 renewals were done	N/A

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Table 61: Employees - Licensing and Testing Services						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	100%	1	1	0
Level 4-6	17	9	47%	17	10	41.18%
Level 7-9	16	13	18.75%	16	10	37.5%
Level 10-15	4	3	25%	4	3	25%
Level 16-17	5	1	80%	5	2	60%
Total	43	27	37%	43	26	40%

Table 62: Financial Performance 2011/12: Licensing and Testing Services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	35,329	43651	43651	20053	R 23 598
Expenditure:					R 0
Employees	8,089	8599	8599	8474	R 125
Repairs & Maintenance	3	47	47	15	R 32
Other	26,504	25611	25611	467	R 25 144
Total Operational Expenditure	34,596	34257	34257	8956	R 25 301
Net Operational (Service) Expenditure	734	9394	9394	11097	R -1 703

There are no variation from budget and the capital expenditure. 5 year targets are set out in the IDP and all falls in the approved budget

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COMPONENT C: PLANNING AND DEVELOPMENT (TOWN PLANNING & LED)

This component includes: Town planning; and Local economic development.

Land Use and Land Claims

Approximately 66% of the total land area is privately owned while 33% of the total land area is owned by the state mainly in Traditional Authority areas. A negligible extent is municipal commonage. Land is a precious resource that forms the basis of a nation's wealth, security, pride and history. It is a major resource on which all spatial development proposals are based. Land and its ownership and use play an enormous role in shaping the political, economic and social processes.

Tribal land is not under Municipal control. Land restitution and land redistribution are all part of the Government's Policy on land reform. Land restitution is a programme to restore land to people who were dispossessed since 1913. Currently there are almost 45 claims that have been lodged with the Land Claims Commission within Greater Tzaneen Municipality. The number of these claims provides an indication of the extent and potential impact these claims may have on the SDF planning proposals.

Tourism

With the established Local Tourism Association the relationship with Tourism owners has improved. Council has also contributed financially and otherwise to the organizing and coordinating of events. The municipality has established relationship with the Limpopo Tourism and Parks Agency (LTPA), Tourism Enterprise Programme (TEP) which will be assisting in marketing, capacity building etc.

The following still needs to be addressed:

- Operational and organizational issues of the established structure which will be inclusive of all product owners within the Municipality
- Inclusive database of tourism product owners within the entire Municipal area
- Approval of new accommodation establishments

Agriculture

Agriculture is regarded as major contributor in job creation, however it is found to be in the decline due to unresolved or rather slow redistribution processes. The Municipality has since established a

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forum to focus mainly on the latter wherein the Department of Rural Development and Dept of Agriculture are critical role players. The following were identified as challenges in the Agriculture Sector:

- Unresolved/delayed Land reform processes
- Dispute amongst land claim beneficiaries and role clarification amongst established structures
- Marketing and skills gap in Agriculture
- Water availability for irrigation (Nwamitwa dam and raising of the Tzaneen dam wall)
- There is still a need for a Fresh Produce Market

Business

The non formal business sector is starting to be accepted in the Formal sector as they are considered for occupation in the new mall structures including other public institutions. Development agencies like Seda, GTEDA, Libsa are playing a significant role in SMME development. Council has also considered allocating funding in a signed MOU with Seda...

Challenges identified include:

- Role of the Municipality in new infrastructure development e.g. Shopping Malls,
- No policies which guides new development with economic impact (job creation, local business empowerment etc)
- SMME consolidated database and skills base profiling for the entire Municipal area

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Table 63: Applications for Land use Development 2008/09 - 2010/11

	Formalisation of Townships			Rezoning			Built Environment		
	2009/2010	2010/2011	2011/2012	2009/2010	2010/2011	2011/2012	2009/2010	2010/2011	2011/2012
Planning application received	4	3	3	12	14	14	50	32	406
Determination made in year of receipt	3	2	2	12	12	6			0
Determination made in following year			1			3			0
Applications withdrawn	0	0	0	0	0	3	0	0	0
Applications outstanding at year end	1	1	1			2	26	15	0

Table 64: Service Delivery targets for Town Planning as contained in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Integrated Development Planning	Identification and Acquisition of Strategic Land for enhancement of integration (NDPG Initiative)	Formulation of urban design framework	Local Area Plan Adopted By Council	N/A
	Demarcation of rural sites	Handover of sites to traditional authorities for allocation	Awaiting finalization of the EIA and letter of approval from RURAL DEPT	slow EIA process
	Departmental Strategic Sessions and staff development	Conduct Departmental Strategic Session by 30 June	Two Departmental Strategic sessions held	N/A
	Socio - Economic survey	Monitor the Socio - Economic Survey processes and report progress to Council	Approved by Council - waiting implementation and signing of SLA	N/A
	Rural Development Strategy	Submit Rural Development Strategy to	Rural Development Strategy not	Moved to 2012/13 to

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Table 64: Service Delivery targets for Town Planning as contained in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		Council for adoption along with the IDP.	developed	coincide with the Vision 2030
	IDP implementation monitoring	Arrange quarterly LED Thrust meetings. Ensure involvement of relevant Sector Departments and other stakeholders and submit minutes to the MM	Sector Department gave input in Phase 2 (strategy phase)	N/A
	Rural Nodal Development Plans Bulamahlo (Community Centre)	Proclaimed township	Service provider procured	slow procurement process
	Thusong Services	Visiting Thusong services centres on quarterly basis and marketing department during visits	56 visits conducted	N/A
Integrated Spatial development	Implementation of Nkowankowa Local Area Plan	Approval and construction of Retail Complex	Local Area Plan Adopted BY Council	N/A
	Review of Tzaneen Nodal Plan	Proclamation of Nodal Plan	Project carried over to next financial year	No response from suitable bidders received
	Formulation of Density Policy (social contribution)	Implementation of Policy	Policy not developed, project carried over to next financial year	No response from suitable bidders received
	Formulation of Tavern Policy	Implementation of Policy	Policy adopted by cluster, still to go to Council for approval	N/A
	Pusela 6 - Township Establishment	Hand over to Housing	Service provider procured	slow procurement process
	Monitoring of compliance to town planning scheme	Issuing of contravention notices, monitoring and recommendation for litigation	Four notices issued	N/A
	Township establishment - Shiluvane Library	Proclamation	Service provider just been appointed	slow procurement process

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Table 65: Employees - Town Planning services						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0
Level 4-6	4	1	75	4	1	75%
Level 7-9	3	2	33.3	3	2	33%
Level 10-15	0	0	0	0	0	0
Level 16-17	0	0	0	0	0	0
Total	8	4	50	8	4	50%

Table 66: Financial Performance 2011/12: Town Planning Services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	0	80	80	102	R -22
Expenditure:			0		R 0
Employees	R 2 412 869.48	2428	2428	2346	R 82
Repairs & Maintenance	0	0	0	0	R 0
Other	R 265 789.94	R 1 842	R 1 842	R 1 037	R 805
Total Operational Expenditure	R2 678 659.42	4270	4270	3383	R 887
Net Operational (Service) Expenditure	0	-4190	-4190	-3281	R -909

Table 67: Capital Expenditure 2011/12: Town Planning (R'000)					
Capital Projects	2011/2012				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Township establishment Shiluvane Library	R500,000	R0	R0	R	R500,000
Total	R500,000	R0	R0	-R500,000	R500,000

* Including past and future expenditure as planned

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The four priority areas currently undertaken are not funded from capital fund but from operational expenditure namely:

- Formalization of townships
- Rezoning
- Built environment (consent use applications)
- Spatial Policy development

During this current financial year 2011/2012 an amount of R989 000.00 has been allocated to be utilized in three (3) projects namely:

- Establishment of High Density Residential for middle income group on Portion 6 of the Farm Pusela 555-LT at the allocation of R400 000.00.
- Acquisition of Trust Land on Mohlaba's Location to secure Municipal assets already constructed on the land (Library building) at allocation of R400 000.00.
- Review of Spatial Policy, Tzaneen Nodal Plan and Density Policy at cost of R300 000.00
- Nkowankowa Local Area Plan – R397 000.00

As mentioned in the previous paragraph funds for the four (4) projects are allocated in the operational budget under the vote 'contractual services'. However these projects were never undertaken due to the ineffectiveness of supply chain processes and were subsequently carried over to the next financial year. Only R350 000.00 was utilized for the Nkowankowa Local Area Plan which represent about 36% of the total budget allocated. As a consequence there was no variance. The other projects are purely operational and were managed and catered for in the budget.

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3.9 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

Vision: “To promote and network economic opportunities that will ensure job creation, poverty alleviation and investment for economic growth”

Mission: “To create better local economic well-being through Small Medium Macro Enterprise (SMME), social services and to create investment opportunities through tourism and agriculture in partnership with other stakeholders”

The LED Strategy for GTM (Developed in 2004) is based on 4 thrusts which are:-

- Fruit and Nut Cluster
- Business Diversion and Trade
- Tourism Development
- Agricultural Development

With the establishment of the “Greater Tzaneen Economic Development Agency” major infrastructure development project were mandated to them with a view to accelerate the local economy of the Municipality. Since it's established the following projects has shown significant impact towards job creation and improved service delivery:

- Revitalization of the Sapekoe Tea Estate – more than 500 jobs created
- Establishment of the Greater Tzaneen Radio Station (GTFM) – 20 jobs created
- Business Support Center - 2 jobs created
- Livestock Improvement - 16 jobs created

The following initiatives have undergone feasibility studies and is awaiting further feasibility and /or funding for implementation:

- Letaba River Mile
- Tourism Framework
- Fruit and Nut Value Chain Cluster
- Shopping Center
- Livestock Improvement

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Table 68: Employment per sector in Greater Tzaneen Municipality		
Sector	2010	%
Agricultural, Forestry & Fishing	4119	8.3
Mining and Quarrying	579	1.2
Manufacturing	4165	8.3
Electricity, Gas and Water	264	0.5
Construction	3762	7.5
Wholesale and Retail trade, catering and Accommodation	12048	24.2
Transport, Storage and Communication	1619	3.2
Finance, Insurance, real estate and business service	4724	9.5
Community, social and personal service	11493	23.0
General Government	7110	14.3
Total	49882	100.0

Quantec Regional Economic Database

Communities living in object poverty

GTM is implementing the Community Work Programmes (CWP), aligned to the Expanded Public Works Programme (EPWP), to address issues related to poverty. Currently 4 wards are implementing the CWP programme wherein more than 2000 community people have been employed, with a specific focus on women. The project is expected to be expanded to other wards in the financial year 2012/13. Also, a project has been initiated with University of Venda to do a pilot on “Research and poverty Monitoring Tool” to be implemented in Ward 1 and later on be rolled out to other Municipal wards.

Table 69: Gross Value Added (GVA) per sector in GTM at constant 2005 Prices, R'm (Global Insight Database)				
Sector	2008/2009	2009/2010	2010/2011	% 2010
Agric, forestry and fishing	329	295	301	5.3
Mining and quarrying	114	81	88	1.5
Manufacturing	369	328	340	6.0
Electricity, gas and water	249	256	265	4.6
Construction	177	184	185	3.2
Wholesale and retail trade, catering and accommodation	893	822	385	14.6
Transport, storage and communication	664	660	689	12.1
Finance, insurance, real estate and business service	1571	1531	1550	27.1
Community, social and personal service	385	378	379	6.6

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Table 69: Gross Value Added (GVA) per sector in GTM at constant 2005 Prices, R'm (Global Insight Database)

Sector	2008/2009	2009/2010	2010/2011	% 2010
General government	1032	1040	1078	18.9
Total	5784	5575	5710	100.0

The LED Division has facilitated various projects; the table below presents the job creation.

Table 70: Job creation per project for 2011/12

PROJECT	JOBS CREATED
Letsitele Storm Water Control Culverts (Phase2)	17
Tzaneen Rural Waste	74
Hweetji Access Road	40
Molebogeng Cleaning Contract Nkowankowa	52
Molebogeng Cleaning Contract Lenyenye	32
Land Hill	24
Ingwe Waste Management	31
EPWP	510
Batlabane Soil Conservation	105
Khalanga Lodge	175
Community Work Programme	2055
Land Claim Agricultural Support Project	206
Mokgolobotho Citrus Farm	152
Vharanani Properties	58
Tupato Properties	12
Tupato Properties (Farm House)	22
GTEDA (Sapekoe)	509
Tzaneen Prison	96
Letaba Lifestyle Mall	358
Tumishi Electrical & Business Consortium	20
Mhlohloli Business Enterprise	24
Tumishi Electrical & Business Consortium	20
NDPG	39

Table 71: Projects in the medium and long term strategy

Project	Short term	Medium term	Long term
River Mile Fruit and Nut cluster Development Tourism Development	Feasibility studies	Development of the business plans Partnership establishment	Source funding and implementation

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Table 71: Projects in the medium and long term strategy

Project	Short term	Medium term	Long term
Shopping Centers Development			
Revitalization of the Sapekoe Tea Estate	Feasibility study	Revitalization and rehabilitation process Investment attraction Source Funding	Implementation and monitoring
Informal Trading Development	Research Database Street Trading By-Law gazettement	Business plan development and Source funding	Implementation and monitoring
SMME Development	Database and SMME strategy development	Needs analysis and partnership establishments with relevant stakeholders	Capacity building and monitoring

Table 72: Job creation through EPWP projects

Year	Number of projects	Number of Jobs created
2008/2009	6	81
2009/2010	10	90
2010/2011	8	220
2011/2012	11	378

EPWP Achievements

Received an amount of R 2,756,000 incentive Grant – the allocation as per Schedule 8 was only R 1,302 000.00. Managed to implement the Provincial summit resolution such as:

- Allocation of dedicated personnel to coordinate EPWP
- Participating in three sectors ,Environmental & Culture ,infrastructure and Social Sector
- Reporting progress on monthly basis
- Draft EPWP policy – sector coordinating committee has been established and they meet on a monthly basis

EPWP Challenges

- Under-spending of the EPWP incentive Grant
- Court interdict has affected progress on work opportunity creation for infrastructure projects
- EPWP program is not integrated into sector plans of the IDP

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- Inclusion of EPWP targets in the SDBIP and performance agreements

Tourism and Marketing

Tourism development within the Municipality is guided by the Tourism Framework which provides short to long term developmental strategies. While sourcing for medium to long term investment, the Municipality has been successful in establishing good and healthy relationship with local tourism product owners through establishing the Local Tourism Association (LTA). Currently major developmental projects facilitated and implemented are:

1. Mefakeng for the construction of Muhlaba lodge, Thabina lodge.
2. Khalanga lodge for the construction of a 10 bed lodge and conference Hall

The Limpopo Tourism and parks Agency, being the main marketing agency for the entire provincial tourism development, the LTA at local level together with the Municipality compliment the role during local, provincial and international trade events/publications as depicted in the table below:

Table 73 : Tourism Marketing initiatives

Events	Publications
Marula Festival	Brochures
Indaba Trade Show	DVD's
Letaba Expo	Magazines
Getaway show	Local newspapers
Muhlaba Day	
Nwamitwa Day	
Flea markets and Arrive Alive campaigns	

Table 74: Community Work Programme 2011/12

Wards participating	Number of cooperatives	Number of jobs	Output (work done)
Ward 16	0	332	<ul style="list-style-type: none"> • School support programme • HIV/AIDS • Crime prevention • Construction • Cemetery cleaning
Ward 18	0	211	
Ward 22	0	100	
Ward 29	0	102	
Ward 30	0	102	

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Table 74: Community Work Programme 2011/12

Wards participating	Number of cooperatives	Number of jobs	Output (work done)
Ward 32	0	476	<ul style="list-style-type: none"> • Agriculture • Road maintenance • Early childhood development
Ward 33	0	168	
Ward 34	0	560	

The CWP programme was started by the President's Office with the aim of providing employment safety net by offering participants a minimum number of regular days' works, 3 days P/Worker at R65 a day. The programme was initiated to address the challenges of unemployment and poverty in the Country. The purpose is to supplement people's existing livelihoods by offering them a basic level of income and therefore contributing to the National strategic poverty alleviation and unemployment reduction. The programme is currently implemented in the wards presented in **Table 75**:

Table 75: CWP programme

Ward	Village	Ward Councilor
16	Mahlogwe, Leseka, Bvumeni and Lephepane	CLlr R Rikhotso
34	Rasebalana, Khopho, Lephepane and Thabina	CLlr M Letsoalo
33	Leolo	CLlr D Maake
32	Khujwana and Topanama	CLlr S Raganya
18	Khujwana.Muhlaba cross and bridge way	CLlr P Ngonyama

Main objective

- To promote safe and healthy living environment
- To promote healthy eating amongst poor people and those infected or affected by diseases

Activities

- Awareness campaign about the risk factors of alcohol, teenage pregnancy, high rate of crime and rape. .
- To establish food gardens at Public buildings (schools, churches and clinics)
- Cleaning and paving public area (clinics, schools, churches) and removing unwanted grass, weeds, shrubs etc.

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- Landscaping/Vegetation control
- Sewing
- Regravelling main roads and streets
- Pavement at schools and churches using bricks and sand.

Employment Statistics for CWP

Table 76: Jobs created through CWP

Village	Number of Jobs
LEPHEPANE	633
THABINA	469
KHUJWANE	458
MUHLABA	495

Table 77: Jobs created through CWP per section of the population

Population Section	Number of Jobs
Female youth	991
Male youth	210
Female adult	526
Male adult	109
Male and female pensioner	167
Coordinators	52
Total	2054

PARTNERSHIPS

Through Partnerships and GTEDA the Planning & Economic Development Department was able to attract additional funding for investment for projects within the Municipal area for the enhancement of the economic development. The following partnerships were established:

- Seda – SMME Development
- University of Venda – Research on Poverty Monitoring Pilot Tool
- GIZ – Stakeholder management Programme
- Limpopo LED – Capacity Building
- TIL – Incentive Strategy development
- LTPA – Tourism marketing

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- Business including Tourism – Events organizing and Tourism marketing
- SEDA – R191 160 – capacity building and monitoring
- MDDA – R2m – GTFM
- LEDET – R2m – Construction of informal sector esplanades
- SEDA – R2m – IMF Tzaneen Project launch
- SEDA – R938 000 – Sapekoe alternative research
- SEDA – R428 000 – Extraction oil
- COGHSTA - ± R17m – Installation of services Tzaneen Extension 70 & 78
- COGHSTA – R9m – Installation of services – Dan Extension 1 & 2

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Table 78: Targets for LED as contained in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Business development support	Investor Conference	Coordinate an investor conference in consultation and with the support of GTEDA by March 2012	No progress reported during period under review	No funding available
	Business Support Centre (Hub)	Monitor and report on progress with the Business support hub. Encourage Sector Departments to participate in information dissemination	1. Facilitated revitalization of Tipfuxeni Community bakery in Mandlhakazi village (full business plan including operational requirements has been finalised). Provided general business advisory services to 11 clients (28) and in satellite areas and developed SMME database, identified stakeholders and develop SLA with regards to the provisioning of services/products to the owners within these areas...	
	SMME Support	Facilitate and co-ordinate awareness or training sessions for SMME owners in partnership with SEDA	1 SEDA Provincial event held in partnership with SEDA for 4 Clusters. Supported Mcomometo Forums.	
	SMME strategy development	Presentation of the final document and Council resolution.	To be advertised after the LED Strategy Review is completed	
Poverty Reduction and empowerment	# of jobs created through municipal LED initiatives and capital projects	Reporting only - no target	3103	
	Socio economic projects	Provide support to Batlhabine conservation; CWP, EPWP and other CBO's and NGO projects	Extended CWP to the 6th ward i.e. Ward 22 - 400 people to be employed.	

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Table 78: Targets for LED as contained in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Economic Growth and Investment	# of GTEDA board meetings attended	4	4	
	<i># of committed investors attracted through GTEDA</i>	3	1	IMM EARTH (Investor for Tours)
	% of Serviced proclaimed sites sold	100%	100%	
	Alienation of sites	Manage the alienation of sites. Identify available land for alienation. Prepare documentation for the servicing of sites and implementation to ESD and submit to CFO for advertising and awarding of bids.	50% 51 sites at Dan Ext 1 are serviced and 30 in the Industrial area identified for alienation. But not alienated due to delay by Municipal valuer to submit valuation report of the industrial sites.	The Municipal valuer delay to submit valuation report of the industrial sites.
	GTEDA Sustainability	Provide continuous support to GTEDA to ensure self-sustainability. Attend board and monthly meetings as per invitation and schedule	5 Board meetings. Funding approved for 2012/13 financial year.	
	LED strategy review	Revised LED strategy adopted by Council with IDP	Consultative meeting with stakeholders took place on the week 16 to 24 April. 2nd draft was presented on the 10 May and final consolidated draft on the 19 June to Economic cluster.	
	Partnerships and Stakeholder meetings	Facilitate meetings and breakfast sessions with identified stakeholders Establish and conclude	The item for the Univen poverty alleviation pilot was completed and adopted in June. Meetings held with business forum on 26 April, 18 May and 22 June. Currently held meetings with Business	

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Table 78: Targets for LED as contained in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		partnerships with DEAT/LEDET	Chamber to prepare for Mandela day in collaboration with GTEDA.	
	Tzaneen Airfield Feasibility Study	Approval of budget for identified project	Approval of budget for identified project	No budget was approved
Enabling environment for growth and development	Number of job opportunities created through the CWP	2000	2055	
	Number of wards per municipality implementing the CWP	5	5	
	Nr of cooperatives established and still functional in wards where the CWP is implemented	3	3	
Agriculture	Land Reform/Agriculture project support	Facilitate land reform forum meeting Attend monthly and quarterly meetings for identified agricultural projects and facilitate services to be provided to the identified projects (Tours, Mokgolobotho, Sapekoe, Banareng, Bathlabine, Kgatle, Mkomomonto, Maitjeng and Boalpye)	No Land Reform meeting held. Appointed of Vumelana to assist Mamathola project by Rural Development. Following meetings held 13th, 23rd of March and 13th of April. Currently advertised for request for proposals. Held a meeting for Tours project with investor from IMM on 30th May. The Sapekoe steering committee meeting was held in June. Attended a feedback meeting for Nkomomonto on the 17th of April	
	Letaba Egg Production (Yingisani School)	Monitor implementation and submit progress reports	A plan was finalised for fundraising during Mandela day. Facilitated a meeting on the 22nd May 2012 between GTM and Tzaneen Chamber of Commerce to discuss possible interventions of assisting Yingisani school for the deaf during	

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Table 78: Targets for LED as contained in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			Mandela Day celebrations.	
	Livestock Improvements	Rolling out implementation plan.	LEATHER MAKING: Specifications/bill of quantities for repairs of the factory has been generated and advertised. An advert for training and technical designs has been issued and a service provider will be employed soon. Development of work plan and logistical arrangements was done. TANNERY: The project has been put on hold pending funding	
	Restituted farms	Attend quarterly meetings Develop land restitution support programme for the agency	Quarterly meetings attended and areas of support identified	
	Sapekoe Tea Estate	Coordinate and facilitate steering committee meetings. Monitor the rehabilitation process.	Coordinating and facilitating steering committee meetings. Monitoring the rehabilitation process.	
	Subtropical Fruit and Nut Cluster	Marketing to secure funding of the project.	Meetings were held with Seobi who are planning to open a branch in Limpopo and have secured markets in Europe Finalising development of business plan for oil extraction.	
Tourism	GTM Tourism Framework	Approach investors for investment for identified projects.	Feasibility study was conducted; adjudication over identified opportunities of the studies is underway. Presented opportunities identified by the study to potential investors during the Tshwane International Trade and Infrastructure Investment Conference (TITIC). Development of a business plan.	
	Letaba River Mile	Facilitation of EIA recommendations.	Calls for proposals for EIA and technical designs were not adjudicated as only 2 bidders'	

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Table 78: Targets for LED as contained in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			submitted applications; it was re-advertised and will be adjudicated. Presented opportunities identified by the study to potential investors during the Tshwane International Trade and Infrastructure Investment Conference (TITIC). Development of a business plan.	
	LTA events	Facilitate LTA meetings Provide support for implementation of LTA events and campaigns	The following events/meetings were held: Arrive Alive on the 5th of April, 4 preparatory meetings for Indaba on 10th 17th of April and 4th of May. Attended the Indaba show from the 12th to 15th of May.	
	Mefakeng Tourism projects and Khalanga Lodge support	Implement Council resolutions	Khalanga PSC monthly meetings were attended on 19 April, 24 April, 09 May and 29 June 2012. PSC for Mefakeng was held on 08 May. PSC Meeting was held on the 5, 6, 12, 13/05/2012. A meeting was held on 6/06/2012 between the PSC and the Legal Division. Site inspections were conducted for Sekgopo on the 19/06/2012 and Mohlaba on the 20/06/2012.	
	Tourism Events	Co-ordinate tourism activities as per annual calendar and in conjunction with business and marketing division Facilitate LTA meetings Indaba Flea market	Arrive Alive was held on the 5 April. Indaba was attended from the 12-15 May 2012 at Durban ICC.	

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Table 79: Employees - Local Economic Development services						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	2	2	0%	7	4	42.8%
Level 7-9	1	1	0%	2	2	0%
Level 10-15	1	1	0%	0	0	0%
Level 16-17	0	0	0%	0	0	0%
Total	5	5	0%	10	7	30%

Table 80: Financial Performance 2011/12: Local Economic Development Services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	4 976	414	414		R 414
Expenditure:					R 0
Employees	1 983	2201	2201	2140	R 61
Repairs & Maintenance	–				R 0
Other	7 180	4548	4548	2770	R 1 778
Total Operational Expenditure	9 163	6749	6749	4910	R 1 839
Net Operational (Service) Expenditure	-4 188	-6335	-6335	-4910	R -1 425

Table 81: Capital Expenditure 2011/12: Local Economic Development Services (R'000)					
Capital Projects	2011/2012				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
None	0	0	0	0	
Total	0	0	0	0	0

LED had no Capital allocation for 2011/12

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COMPONENT D: COMMUNITY & SOCIAL SERVICES

Aged Care

Although Aged Care is not a function of the municipality, GTM has 37 bachelor housing units (Pioneer Old Aged units) that are being rented out to those aged that are dependent on social grants. There is a waiting list which is updated on a daily basis, as and when requests are received. These units are maintained by the Engineering Services Department.

3.10 LIBRARIES; MUSEUM; COMMUNITY FACILITIES)

Parks and Community Facilities

Parks in rural areas remain limited and although the plan is to provide at least one park per Ward, funding would still be required. The Ward Committees have been tasked to identify areas for parks development in their respective Wards. The upgrading of parks at Nkowankowa, Lenyenye, Letsitele and Haenertsburg is needed and a proposal to do this in partnership with local businesses is in place. The grass cutting is done in 1,318,958 m² and grass slashing is done in an area of 1,188,295 m².

GTM have three Community Halls i.e. at Nkowankowa, Lenyenye, Julesburg stadium Hall then also MiniTzanie Park Hall, Rhelela; Runnymede and Lesedi. These halls are booked to control access and for records purposes. Only the three community halls are rented out, the usage of the others are free of charge. The halls surroundings are kept clean for maximum usage, to attract users and to promote a safe and healthy environment. Communities living in poverty are currently utilising the halls at Rhelela, Bulamahlo, Lesedi and Julesburg for free, even though this is not sustainable as these facilities need to be maintained. As it is, the maintenance of community halls is not done as it should due to budget constraints.

The Museum is operational and objects are explained to visitors. The building is very small and needs to be extended. Funds for the construction of a multi-purpose centre are however not available. The Museum is currently operated by a Private Curator with his artefacts and the GTM seek to have its own collection and manage the facility, due to misunderstandings between the Private Curator and the GTM.

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Libraries

Library Services, an unfunded mandate, is the joint responsibility of Municipal authorities and the Department of Sports, Arts & Culture (DSAC). The GTM has entered into a Service Level Agreement with the Limpopo Provincial Library Services, DSAC. In terms of the Service Level Agreement the municipality is responsible for infrastructure, staff and operational costs. The Provincial Library Services is responsible for supplying furniture, equipment and reading material. The top three Library Service priorities are:

- Access to balanced book collections and lending services;
- Information services, with the emphasis on school project help and user education
- Educational holiday programmes and book-related arts and craft events, including an annual reading competition.

During 2011/2012, 95,957 people used the GTM libraries; 96,325 books were lent out; 89 school groups visited the libraries; 672 assignment topics were assisted with; 21 book related events were hosted; 3 holiday programmes were held and 1039 learners entered the library competition. The GTM Library Services constantly strives towards building relevant collections and providing friendly and efficient services. For that reason communities from all over the Greater Tzaneen Municipality area and beyond use the libraries. Access to the libraries, project assistance and information is free of charge, assisting the poor.

Public Work's construction of the new library at Shiluvane continued throughout 2011-2012, and the library should be operational by early 2013. Similarly, Public Works started construction of a new library at Molati Village, which should open by July 2013. Both libraries are funded by National Library Grant funding, through the DSA&C. The GTM's vision for Library Services is to build new libraries accessible to all, especially in rural areas and in all clusters. The Libraries infrastructure status quo and maintenance and development requirements are presented in the tables below:

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Table 82: Tzaneen Library details	
Location	38 Agatha Street TZANEEN 0850
Characteristics	<p><u>Size</u> 1019 square meters (Including entrance hall, stacks, offices, store-rooms, study hall and toilets) Rand worth: R4,585,500</p> <p><u>Quantity of stock the library can accommodate</u> 40,000 books</p> <p><u>Library</u> <u>Seating capacity</u> 70 (Seated at tables)</p> <p><u>Use</u> The library is used to house books for information and recreation and as a study and information centre.</p> <p><u>Study Hall:</u> <u>Seating capacity</u> 42 (Seated at tables); 60 if used as lecture hall.</p> <p><u>Use</u> During office hours the study hall is used by students studying and after hours as a lecture hall, workshop room or recreational centre.</p>
Number of beneficiaries	<p><u>Library:</u> : 60,000 users per annum</p> <p><u>Study Hall:</u> 10,000 users per annum</p>
General maintenance	The building is maintained by the Engineering Department's Building Division. The public toilets regularly require repairs by the Water, Sewer and Plumbing Division. The Electrical Engineering Department maintains the electricity in the building, including lighting and air-conditioning. The building is cleaned by GTM cleaners weekdays
Maintenance and building requirements 2012/13 – 2015/16	<p>2012/13</p> <ul style="list-style-type: none"> • Tiling of the entire library floor (1019 square meters) • 2 Air dryers for toilets. <p>2013/14</p> <ul style="list-style-type: none"> • Enclosure of library storeroom with a wall (6.5x3m) on the side enclosed with steel bars: R30,000. • Additional library counter as counter space is insufficient for computers and scanners once library is computerized. Counter to fit in space available (approximately 2, 8 meters in length), and have shelving or a drawer underneath counter top. Library staff must be able to sit behind the counter. The counter top must be broad enough for a computer, scanner and tattle tape scanning machine. Must be real wood, in Kiaat or similar, matching existing counter. <p>2014/15</p> <ul style="list-style-type: none"> • Expansion of library to enlarge children's section by 40 square meters. <p>2015/16</p> <ul style="list-style-type: none"> • Expansion of Study Hall by 20 square meters.

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Table 83: Haenertsburg library details	
Location	7 Marè Street HAENERTSBURG 0850
Characteristics	<p><u>Size</u> 235 square meters. Rand worth: R1,057,500</p> <p><u>Quantity of stock the library can accommodate</u> 10,000 books</p> <p><u>Library</u> <u>Seating capacity</u> 20 (Seated at tables)</p> <p><u>Use</u> The library is used to house books for information and recreation and as a study and information centre. Internet access is available free of charge.</p> <p><u>Turner Room (Board room)</u> <u>Seating capacity</u> 12 (Seated at table)</p> <p><u>Use</u> The Turner Room is used for community meetings such as the Police Forum and for recreational activities such as library holiday programmes.</p> <p><u>Finance Office</u> <u>Seating capacity</u> 2 Staff members.</p> <p><u>Use</u> Municipal accounts are paid at the office.</p>
Number of beneficiaries	<p><u>Library:</u> 15,000 users per annum</p> <p><u>Turner Room:</u> 1000 users per annum</p> <p><u>Finance Office:</u> 600 users per annum</p>
General maintenance	The building is maintained by the Engineering Department's Building Division. The public toilet is repaired when necessary by the Water, Sewer and Plumbing Division. The Electrical Engineering Department maintains the electricity in the building, including lighting. The building is cleaned by GTM cleaners twice weekly.
Maintenance and building requirements 2012/2013 – 2015/16	<p>Blinds for Turner room, passageway and finance office</p> <p>2012/13</p> <ul style="list-style-type: none"> • 3 Air dryers for toilets. • Blinds for library, Turner room, passageway and finance office <p>2013/14</p> <ul style="list-style-type: none"> • Expansion of library by 50 square meters. <p>2014/15:</p> <ul style="list-style-type: none"> • General maintenance. <p>2015/16:</p> <ul style="list-style-type: none"> • General maintenance.

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Table 84: Letsitele Library details	
Location	61 Kort Street LETSITELE 0850
Characteristics	<p><u>Size</u> 130 square meters (Including library, small library store-room and finance office) <i>Separate Council building, which includes offices, toilets and kitchen, not included.</i></p> <p><u>Quantity of stock the library can accommodate</u> 10,000 books</p> <p><u>Library</u> <u>Seating capacity</u> 40 (Seated at tables)</p> <p><u>Use</u> The library is used to house books for information and recreation and as a study and information centre, as well as for recreational holiday programmes. Internet access is available free of charge.</p> <p><u>Finance Office</u> <u>Seating capacity</u> 2 Staff members.</p> <p><u>Use</u> Municipal accounts are paid at the office and arrangements for sewerage removal in Letsitele are made via the office.</p>
Number of beneficiaries	<p><u>Library</u>: 21,000 users per annum</p> <p><u>Finance Office</u>: 800 users per annum</p>
General maintenance	<p>The building is maintained by the Engineering Department's Building Division. The building was enlarged and renovated in 2003. All tiles were replaced in 2006. The Electrical Engineering Department maintains the electricity in the building, including lighting and air-conditioning. The building is cleaned by GTM cleaners on weekdays.</p> <p>Estimated cost of maintenance p/a: R23,400 (4% of total worth)</p>
Maintenance and building requirements 2012/2013 – 2015/16	<p>2012/13</p> <ul style="list-style-type: none"> • 2 Air dryers for toilets in office block. • Upgrading of air conditioners. <p>2013/14</p> <ul style="list-style-type: none"> • Building of new public ablution block outside library. <p>2014/15</p> <ul style="list-style-type: none"> • Expansion of library by 100 square meters, including enlargement of current counter and library area, building of separate study/activities room and staff tea room. • Expansion of wooden library counter as counter space is insufficient, and will be more so once computers and scanners are placed on counter when library is computerized. The counter top must be broad enough for a computer, scanner and tattle tape scanning machine. Must be real wood, in oak or similar, matching existing counter. <p>2015/16</p> <ul style="list-style-type: none"> • General Maintenance

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The challenge with Library Services infrastructure development and maintenance is that the responsibilities between the municipality and the DSAC are unclear. The DSAC requests municipalities to submit infrastructure and maintenance requirements annually, to be addressed by the National Library Grant, which is administered by the Limpopo Provincial Library Services, DSAC. The DSAC has to date not informed the GTM which of its requests for infrastructure and maintenance at its existing libraries it will meet, making it very difficult to plan or budget.

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Table 85: Library Service Delivery Targets as set out in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Educational well-being	# people using the GTM libraries	84500	95957	N/A
Library Services	Annual Library Competition	500 Learners participating in annual library competition	1039 Learners participated	N/A
Library Services	Assistance to school/community libraries	Two schools assisted with at least 300 donated books and school library management guides.	Biblione request forms submitted for 2 schools and Library Management guide provided to three schools. 320 Books/children's magazines donated to schools.	N/A
Library Services	Book related events	3 Holiday programmes and 4 book related arts and culture events arranged and hosted	3 Holiday programmes and 21 events arranged and hosted.	N/A
Library Services	Develop libraries at Nkowankowa and GTM Thusong Centres	Participate in the NDPG project team, keeping the establishment of libraries a priority; Forward new library requirements to Provincial Library Services, DSA&C, to secure possible funding from National Library Grant	Attended 6 NDPG meetings. Requirements re library material for the Shiluvane, Molati and operational GTM libraries compiled and forwarded to the Provincial Library Services, DSAC.	N/A
Library Services	Shiluvani Library	Gather information about library to be developed at Shiluvane by DSAC through National Library Grant Plan, budget and finalise operational requirements and plans for the Shiluvane library and	Attended 6 Shiluvane site meetings. Requisition for Shiluvan Library Staff Finalized. DSAC library assistants destined for the Shiluvane and Molati libraries received training at the Tzaneen Library Budget requirements for the Shiluvane Library submitted. Lists of newspapers and magazines needed at the Shiluvane Library	N/A

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		Appoint and train staff for Shiluvane library	submitted to the Provincial Library Services, DSAC. SA&C Cluster Committee briefed on progress Shiluvane and Molati libraries on 8 May 2012.	
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Table 86: Parks service delivery targets as set out in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Parks and Open space Management	# of dedicated parks maintained (developed)	7	7	N/A
Maintenance of municipal assets	Garden management	Maintain all gardens, attend to complaints from the public and keep a register	Maintained all gardens, attend to complaints from the public and keep a register	N/A
	Open space management	Supervise service provider to ensure compliance to the SLA	Supervised service provider to ensure compliance to the SLA	N/A
	Purchase Lawn Mowers	not applicable this quarter	Purchased 10 lawn mowers, 1Xslasher, 6 brush cutters, 3 bush cutters, 2 chain saws and 1 pole pruner	N/A
	Sports and Recreation management	Co-ordinate the maintenance of play apparatus, recreational facilities and stadiums	Following the maintenance schedule	N/A

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Table 87: Employees – Libraries (2011/12)						
Job level	2010/2011			2011/2012		
	Nr of Posts	Nr of Posts	Nr of Posts	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	3	0	100%	3	0	100%
Level 7-9	28	9	68%	28	7	75%
Level 10-15	1	0	100%	1	0	100%
Level 16-17	2	2	0%	3	2	0%
Total	34	12	65%	34	10	71%

The figures in Table 81 represent the number of posts for all GTM libraries, current and planned. Staff on the organogram for the Tzaneen, Letsitele, Haenertsburg and Shiluvane libraries total 22 of which 10 were filled by 2011/12.

Table 88: Employees – Parks & Community Facilities (2011/12)						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100	1	0	100%
Level 4-6	3	3	0	6	6	0%
Level 7-9	3	3	0	0	0	0
Level 10-15	11	10	9	16	11	31.2%
Level 16-17	61	47	22.9	73	46	36.9%
Total	79	63	20.2	96	63	34.3%

The filling of the job level 0-3 is crucial as the current manager has been acting in that capacity for many years.

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Table 89: Financial Performance 2011/12: Libraries (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	48				R 0
Expenditure:					R 0
Employees	2 896	4142	4142	3013	R 1 129
Repairs & Maintenance	7	8	8	6	R 2
Other	356	312	312	357	R -45
Total Operational Expenditure	3 258	4462	4462	3376	R 1 086
Net Operational (Service) Expenditure	(3 210)	-4462	-4462	-3376	R -1 086

The GTM Library Services has not had any capital budget for years. The reason is that it is the DSAC's responsibility to provide new infrastructure, furniture and equipment. The DSAC requests municipalities to submit requests for new infrastructure, furniture and equipment annually, to be addressed by the National Library Grant, which is administered by the Limpopo Provincial Library Services, DSAC. Communication from the DSAC regarding what is to be provided is poor, making planning difficult.

The new library being constructed at Shiluvane is funded by the National Treasury Conditional Library Grant, which is administered by the Department of Sport, Arts and Culture, at a capital cost of R4, 221,059.00. The library should be operational by 2012. Operational funding for new libraries is a challenge to the GTM. An estimated operational budget for the Shiluvane Library is R2,170,175.16 for the first year, and R1,999,420.68 for the second. A letter requesting operational funding for two years has been written to the MEC for Sport, Arts and Culture. The letter was acknowledged but not yet responded to.

The DSA&C has instructed that the next new library is to be built in Molati Village. Operational funding for the Molati library will present an additional challenge to the GTM. The Library Services targets for new libraries set in the IDP for the next five years, to build libraries at all four Thusong centers, is dependent on funding through the National Treasury Conditional Library Grant, which is

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administered by the Department of Sport, Arts and Culture. The DSAC has been presented with the GTM's IDP, to guide them when locating new library buildings.

Table 90: Financial Performance 2011/12: Parks, Museums, Community Facilities (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)²		451	451	0	R 451
Expenditure:					R 0
Employees	7 301 648.30	9542	9542	8783	R 759
Repairs & Maintenance	11 712 937.13	2687	2687	2128	R 559
Other		4466	4466	2672	R 1 794
Total Operational Expenditure	1 178 595 361	16695	16695	13583	R 3 112
Net Operational (Service) Expenditure	1 178 595 361	-16244	-16244	-13583	R -2 661

Table 91: Capital Expenditure 2011/12: Parks, Museums, Community Facilities (R'000)					
Capital Projects	2011/2012				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
Cemetery development	R300 000	0	0	-R300,000	R300 000
Lawn mowers purchasing	R500 000	0	R370 000	-R130,000	R500 000
Total	R800,000	0	R370 000	-R430,000	R800,000

Funding is limited to accommodate all community needs that require capital funding such as parks development in rural areas of GTM. There is insufficient operational budget to renovate existing parks at Lenyenye, Lenyenye Tzaneen and Haenertsburg and some in Nkowankowa. 20 Kudu machines, 3 bush cutters, 2 pole pruners and 1 chain saw were purchased and the R168 000 is rolled over to purchase more machines from the capital budget of R500 000,00CSD update.

3.11 CEMETERIES

²Payments made are deposited into a general account and not ring-fenced for parks and community facilities

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GTM have 136 cemeteries and only 6 are maintained monthly and the rest of the cemeteries are at rural areas. A Proposal for Partnership in cemetery maintenance was presented to South African Funeral Practitioners Association SAFPA members, representative of Provincial SAFPA and Mopani District Municipalities on the 29 November 2011 and still awaiting feedback. This was done as a means to improve performance irrespective of financial constraints and as a means to support poor communities.

Cemetery development was targeted to Lenyenye cemetery due to limited budget of R300,000,00 and they have no burial space at all. There is great need for cemetery extensions, fencing, construction of ablution facilities and cemetery maintenance in the rest of GTM cemeteries. Currently there are volunteers who are cleaning some cemeteries in various Wards. GTM is in the process of procuring cemetery registers to keep record in all rural areas. We managed to provide burial space for all GTM communities. The challenges are funds for fencing, construction of ablution facilities and cemetery maintenance. Lenyenye community received land for a grave yard and the site is under development in Lenyenye. The environmental Impact Assessment will resume soon.

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Table 92: Cemetery service delivery targets as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Maintenance of municipal assets	Cemetery Management	Maintain existing cemeteries and liaise with Land, Property and Housing Division for the acquisition of land for new cemeteries	Continue with maintenance of existing cemetery	N/A
	Cemetery Register (Rural)	Develop a register for rural graves. Investigate the possibility of logging graves electronically on GIS	Cemetery register is developed and receipt quotes after the closing date for out buying requisition from the 2 printers available on GTM data base	N/A

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The responsibility to manage Cemeteries and Parks reside in the same division and the personnel fulfills both functions with the operating budget also covering both functions. For the number of employees allocated to parks (cemetery) refer to Table 88 and for financial performance to Table 90.

Table 93 : Capital Expenditure 2011/12:Cemetery services (R'000)					
Capital Projects	2010/2011				
	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Total Project value*
<i>Cemetery Development</i>	R 300,000	R0	R0	R0	R 300,000
Total	R 300,000	R0	R0	R0	R 300,000

The capital budget on the development of new cemeteries has not been spent as the administration to get an Environmental Impact Assessment done is still pending. The cemeteries in rural areas are currently maintained by the community at voluntarily basis. The challenge is that they need to be provided with maintenance tools. There is a need to extend cemeteries, fence and building of ablution facilities but budget constraint does not allow.

3.12 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The Youth Gender & Disability Programme is part of the Mayor's Special Programmes. Its main functions include: Co-ordination, Mainstreaming, Advocacy, Development & empowerment of focal or designated groups. Its objective is to encourage public participation and inclusive project planning, implementation and monitoring. It is a function done for internal and external stakeholders. The strategic objective is good governance. The following are the key priorities achieved for Youth, Gender and Disability programmes during the year under review.

Calendar Events

- Youth Month celebrations

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The YGD is responsible for the coordination of the provincial, district and local youth month celebrations to commemorate and celebrate the June 16 Youth Uprising. Four buses were coordinated to ferry youth to the provincial rally that was held at Maruleng Show grounds on the 16th of June 2012. The youth came from all different clusters within the municipality. The buses were procured by the Office of the Premier. The GTM Mayor hosted the local youth month celebrations in Lenyenye community hall on the 23rd of June 2012. Four buses ferried youth from all the clusters who were also catered and given T-shirts.

- **Women's Month celebrations**

The YGD is responsible for the coordination of the provincial, district and local women's month celebrations to commemorate and celebrate the August 9 women's march to the Union Building. During this month various activities were done. Sexuality Rights campaign was done at Dumela High School. A leadership capacity building workshop was done at Relela Thusong Services centre for 30 women who are in the Non-governmental organisations sector. Another workshop was organised to capacitate women in business at Runnymede Thusong services centre. About 70 women attended this workshop where various presentations were made by SEDA, GTEDA, NYDA, ETT Accountants, Hand in Hand, etc.

- **National and International Disability month celebrations.**

The YGD is responsible for the coordination of the provincial, district and local disability month celebrations to commemorate and celebrate the November national and 3 December International Day of Disabled Persons (IDDP). Various programmes were embarked upon to celebrate this calendar events. A workshop targeting disabled employees but including all employees was held in the Entertainment hall, GTM. This followed by the disabled entrepreneurs workshop held in Nkowankowa community hall. A disability indaba held in Lenyenye community hall was very successful and the Disability Council used the event to report on the mid-term progress.

Provision of Administrative support to Councils.

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Various activities must be done to offer support to community based councils. There is Local Youth Council and the Local Disability Council.

- **Local youth Council:**

The Local Youth Council is the local branch of the national youth organisation called the South African Youth Council (SAYC). It is in the jurisdiction of the local municipality. Its main role is to co-ordinate, organise, mainstream, lobby and advocacy on issues affecting youth with the municipality. The YGD supported this council by coordinating an Annual Youth Assembly. This is an assembly of all youth formations from all the wards of the municipality. The assembly was successfully held on the 15 of June 2012 at Ivory Tusk Lodge. It elected the leadership of the Youth Council as well as taking proper resolutions.

- **Disability Council:**

The support was provided to the local disability council. The disability council is held annually to elect a committee, receive reports and take resolutions affecting disabled people. The YGD supported administratively by assisting in convening the council. The minutes are also typed from the office. The disability council was held at Ivory Cost on the 8th of June 2012.

Mainstreaming & Advocacy

Mainstreaming is done by conducting workshops to employees and giving inputs on day to day reports and correspondences. For the first time the IDP contains issues affection special focus persons in all the departments' strategies. The office made sure that the strategies phase for 2012/13 mainstreams this issues so that it will be easier during the project phase. The main challenge remains reviewing the Youth policy, gender policy and the disability policy.

NARYSEC

The Department of Rural Development and Land Reform runs a learnership known as the National Rural Youth Service Corps. In 2010, the GTM appointed 91 learners from all over the wards in the municipality. This learnership runs for two years. For all those who were enrolled in this learnership, the period was extended to two full years, making a total of four full years.

National Youth Development Agency

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The GTM has signed a Memorandum of Agreement (MOA) with NYDA in 2010. In this agreement the municipality supports the NYDA by providing of administrative support through the Youth Office. This includes handling of walk-ins, development and management of the JOBS programme and Business Support Opportunity services to young people. A youth officer serves as the liaison between the youth and the NYDA. Workshops were also facilitated during the year. In January career guidance was conducted at Lwandlamuni, Markshope and Mahwahwa high schools by the NYDA. 35 young people were enrolled in the National Youth Service programme to build the Tzaneen prison and graduated in April on skills such as Plumbing, Carpentry and bricklaying. Another 30 young were enrolled in the same programme and are graduating in December 2012. The NYDA also conducted the Proud to Serve campaign at Runnymede and Relela and about 800 young people participated.

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Table 94: Youth, Gender & Disability programmes targets as set out in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Youth, Gender & Disability	Annual Youth Assembly	Arrange and co-ordinate Annual youth assembly during August	Annual Youth Assembly held at Ivory Tusk lodge on the 15th of June 2012	N/A
	Disability Council Official Launch	Arrange and co-ordinate launch of Disability Council during October	Disability Council was re-launched on the 8th of June 2012 at Ivory Tusk lodge.	N/A
	National Disability Month Celebrations	Arrange and co-ordinate national disability month celebrations during December	Disabled employees workshop (Entertainment hall), Disabled entrepreneurs workshop (Nkowa Comm. Hall) and Disability indaba (Lenyenye Comm. Hall) held successfully.	N/A
	National Women's Month Celebrations	Arrange and co-ordinate national women's month celebrations during August	Transported women to national celebrations, done sexuality rights campaign at Dumela High, Organised 30 NGO's for leadership workshop, women soccer and 70 women in business workshop.	N/A
	National Youth Month celebrations	Arrange and co-ordinate national youth month celebrations during June	Youth month celebrated by coordinating 4 buses to provincial event at Maruleng on the 16th of June. A local youth month was addressed by the Mayor on the 23rd of June at Lenyenye community hall.	N/A
	Re-launch Of SAWID	Arrange and co-ordinate re-launch of SAWID during August	SAWID not launched	Budgetary constraints
	Youth Strategic Session	Arrange and co-ordinate Youth strategic session during September	Youth strategic session combined with local youth month celebrations on 23 June.	

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Table 95: Employees - Youth, Gender, Disability & Social programmes (2011/12)

Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	0	0	0	1	0	100%
Level 4-6	0	0	0	4	2	50%
Level 7-9	0	0	0	4	1	75%
Level 10-15	0	0	0	1	1	0
Level 16-17	0	0	0	0	0	0
Total	0	0	0	10	4	60%

Table 96: Financial Performance 2010/11: Youth, Gender, Disability & Social programmes (R'000)

Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	-				
Expenditure:					
Employees	169119	-	-	-	-
Repairs & Maintenance					
Other	170457	-	-	-	-
Total Operational Expenditure	339576	-	-	-	-
Net Operational (Service) Expenditure	-339576	-	-	-	-

Expenditure for YGD programmes are integrated into the budget for the Office of the Mayor.

No capital projects were implemented for Youth, Gender and Disability programmes during 2011/12.

COMPONENT E: ENVIRONMENTAL HEALTH SERVICES

This report will reflect on the state of Environmental Health Service in Greater Tzaneen Municipality. This service includes the identification, evaluation, monitoring and control of environmental health hazards and risks regarding but not limited to the following:

- Water Quality monitoring;

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- Food control
- Occupational hygiene
- Vector control
- Environmental management; and
- Facility cleaning services.

3.13 ENVIRONMENTAL HEALTH SERVICES

Water Quality monitoring

We have developed and implemented a water quality monitoring schedule for the period under review. The monitoring was done to ensure that water for domestic, industrial and food production is safe in respect of its microbiological, chemical and physical quality. A total of 287 water samples were taken during the period July 2011 to June 2012 with ONLY 14.52% of the samples NOT complying with SANS 241 water quality standards for drinking water. There is an overall improvement of results as compared to results in previous financial year.

Food control

The main activities in food control entails conducting inspections, health education and the issuing of contravention notices were warranted, in both formal and informal food handling premises. The highlight for the period under review is the Joint operation conducted with SAPS, SARS and Home Affairs in formal food handling premises; with non complying premises fined up to R1500. A total of 172 formal food handling premises 13 accommodation facilities; the average rating for these premises is 85%. Also see Figure 5.

Occupational hygiene

This entails inspection of industries to identify any occupational health hazard, environmental, water and air pollution prevention. A total of 92 industrial premises were inspected to ensure that industries comply with requirements of relevant legislation. The average rating for the industries is 72%.

Vector control

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This includes identifying vectors, their habitats and breeding places, instituting measures for vector control in the interest of public health. We spray municipal work stations on a six weekly basis. Environmental control is done on mosquito larvae in identified habitats.

Environmental management

Planning for sustainability has become a very important aspect of Environmental Management; we form part of the various committees which seeks to address Environment and Environmental Health Issues: The pre-assessment committee of Council, Provincial Air Quality Steering committee, South African Institute for Environmental Health, and the Letaba Levubu catchment management committee. We have reviewed 12 basic Assessment reports for developments in our area. We have responded to four air pollution incidents. We formed part of Joint Operation team DEAT in attending to non compliance to Environmental Authorizations by developers resulting in the damage to sensitive environment and the alteration of a 1:100 year flood line. We have together with the Air quality officer from Mopani District Municipality attended to three air pollution incidents. We managed as part of a response team to control major oil spillage from an asphalt plant contaminating water in the Tzaneen dam. We have an Environmental management plan which was reviewed during the 2010/2011 financial year. We had two officers successfully completing a course for Environmental Management Inspectors and are awaiting their appointment and designation by the Minister of Environmental Affairs, so that they can be able to exercise their authority.

Facility cleaning services

This entails providing cleaning services to maintain municipal facilities in a clean, neat and hygienic condition, to ensure that municipal employees work in an environment that is conducive to work in productively. We have total staff complement of 16 responsible for this function. Challenges faced in this function are the lean staff complement which does not allow for relief when someone goes on leave. For the outlying areas, one person covers two work stations attending to these on alternate days.

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Table 97: Environmental Health Service Delivery targets as set out in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Environmental Monitoring	Water quality monitoring	100% compliance to water quality monitoring schedule and 100% expenditure	94 water samples were taken at predetermined sampling points and in accordance with SANS 241 and 20 milk samples.	N/A
	Environmental monitoring equipment	Apply equipment as per the environmental monitoring schedule	Environmental Monitoring equipment not yet purchased	Supply Chain processes not yet concluded
Environmental Management	Environmental Health Plan	Inclusion of Environmental Health plan in IDP	Environmental Plan developed and included in the IDP	N/A
	Environmental management plan	Review current Environmental management plan and submit for inclusion in draft IDP	Environmental Management Plan reviewed and included in the draft IDP	N/A
	Industrial impact management	Evaluate industrial premises Respond to air pollution incidents Issue contravention notices and follow up on contraventions Attend training course for EMI's (Industrial)	22 Industrial premises were evaluated. 2x mortuaries inspected for the issuing of a Certificate of Competence. 10 contravention notices and 9 follow up notices were issued with the referral to the District Air Quality Officer.	N/A
	Letaba river rehabilitation	Coordinate clean-up campaign	Clean up campaign done and meetings to develop a strategy on the removal of alien plants were held.	N/A
	Star grading system	Evaluation of food handling premises Issue contravention notices and follow up on contraventions Issuing of certificates of acceptability Arrange and host star grading award ceremony	137 food handling premises evaluated all follow up visits from 1st, 2nd and 3rd quarter visits. A total of 47 follow up notices were issued with 9 final notices, which were handed over to the Legal Division. 3 Certificates of Acceptability were issued to new premises. A total of 32 acts of food recall and condemnation	N/A

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Table 97: Environmental Health Service Delivery targets as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			were done with equal number of condemnation certificates issued.	
	Vector control	Implementation of vector control program	All municipal work stations were sprayed on a six weekly basis.	N/A
	Wetland Management	Assist with wetland management by ensuring alien vegetation control	Alien invasive plants removed in the wetland in park street. The Nkowankowa C park development hampered by the discovery of a grave, negotiations with the family is still going on.	N/A

Table 98: Outcome of Water samples taken during 2011/12												
Result	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Complying	19	22	31	24	20	*38	*34	26	20	30	30	34
Not complying	5	7	6	6	5	*12	*10	7	7	5	6	5

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Figure 5: Average rating for food handling premises by town, 2011/12

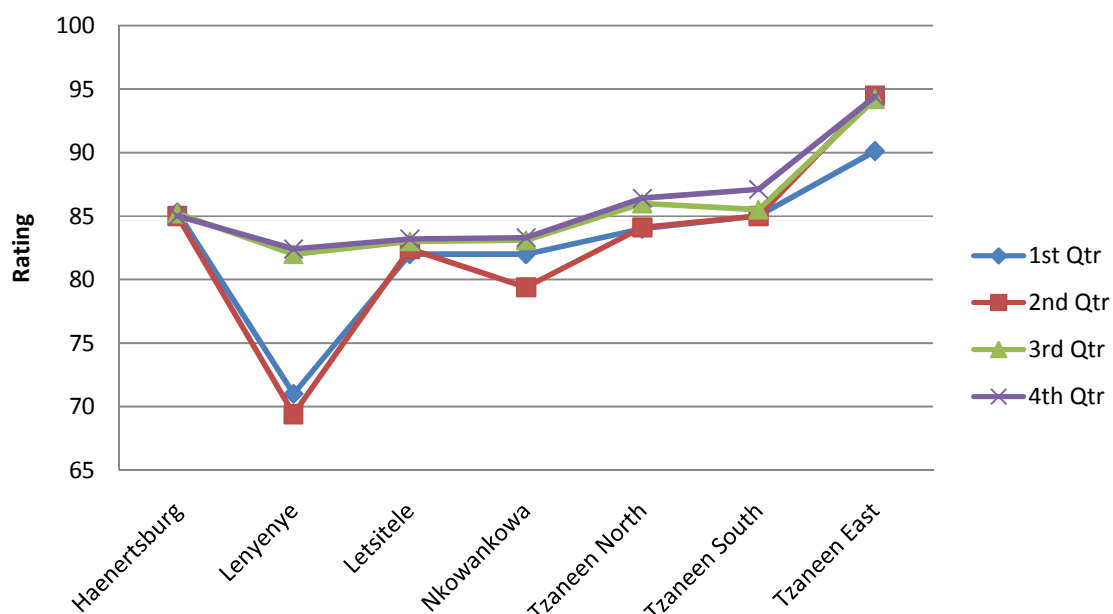


Table 99: Average rating for food handling premises, 2011/12

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Haenertsburg	85,3	85	85.2	85
Lenyenye	71	69.4	82	82.4
Letsitele	82	82.4	83	83.2
Nkowankowa	82	79.4	83.1	83.3
Tzaneen North	84	84.1	86	86.4
Tzaneen South	85	85	85.5	87.1
Tzaneen East	90.1	94.5	94.2	94.4

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Figure 6: Average rating for food handling premises by town, 2011/12

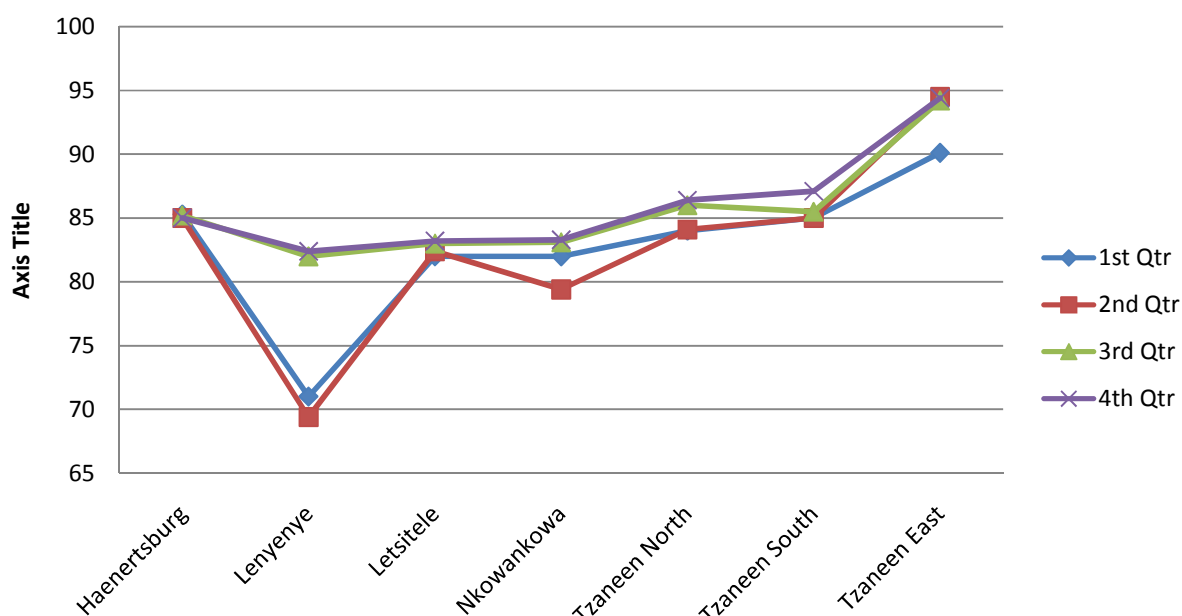


Table 100: Employees - Environmental Health services (2011/12)

Job level	2010/2012			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0%	1	1	0%
Level 4-6	6	3	50%	6	3	50%
Level 7-9	0	0	0	0	0	0%
Level 10-15	2	1	50%	2	1	50%
Level 16-17	30	20	33%	30	20	33%
Total	38	24	36.80%	38	24	36.80%

Table 101: Financial Performance 2011/12: Environmental Health services (R'000)

Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding	52	10	10	39	R -29

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Table 101: Financial Performance 2011/12: Environmental Health services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
tariffs)					
Expenditure:					R 0
Employees	3 991	4458	4458	3778	R 680
Repairs & Maintenance	0	46	46		R 46
Other	724	388	388	276	R 112
Total Operational Expenditure	4 716	4892	4892	4054	R 838
Net Operational (Service) Expenditure	(4 664)	-4882	-4882	-4015	R -867

There were no capital projects for the period under review. It must be noted that although our projects could not be funded (Environmental Management Framework and Air Quality Plan) we managed to meet most targets, in spite of staff shortages

COMPONENT G: SECURITY AND SAFETY

This component includes: internal safety and security, traffic law enforcement, disaster management and control of animals, and control of public nuisances, etc. The Safety and Security Division is responsible for safety and security for employees and communities through social crime prevention. There is a high rate of unfilled positions as per an approved organogram and this predicament places division under pressure to reach service delivery targets for the community. Projects for 2011/2012 Financial year included the installation of a biometrics reader for the Civic Centre and installation of additional Security gates with Cameras in the offices of the Mayor and the Municipal Manager. The Law Enforcement division comprises of seventeen Traffic personnel, among them the Manager, Superintendents, then officers and two senior labourers – who are responsible for erection and general maintenance of road and traffic signs, while the officers do law enforcement.

3.14 LAW ENFORCEMENT

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The top 3 service delivery priorities are Roadblocks, Speed checks, Point duties. Throughout the year the three have had great successes, with reduction in accident statistics. Measures taken to improve performance include spreading the service to rural areas throughout the years, including point duties at school points and accident scenes around our rural juristic areas.

Table 102: Traffic Law Enforcement service data (2009/10- 2011/12)					
	2009/2010	2010/2011		2011/2012	
	Actual no.	Estimated no	Actual No	Estimated no	Actual No
Number of road traffic accidents	128	142	118	140	102
Number of by-law infringements attended	72	80	85	85	68
Number of traffic officers in the field on an average day	16	16	16	16	15
Number of traffic officers on duty on an average day	17	17	17	17	16
R-value revenue from traffic fines	R 4,166,500	R 416,550	R 7,908,480	R 8,000,000	R1,439,910

The revenue increased with introduction of Safe T speed checking initiated by Director CS. The number of Officers available is determined by sampling the number of officers in the field and in offices and stations on the same day, sampling different times of day and different days of the week throughout the year.

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Table 103: Law Enforcement targets as set out in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Law Enforcement	R-value revenue collected through law enforcement	No target - Reporting only	3 062 070	N/A
	Rand value received for fines issued / R value of fines issued (%)	70%	80%	N/A
	# traffic fines issued per quarter	No target - Reporting only	18601	N/A
	Burgersdorp cattle pound	Manage and co-ordinate impounding of stray animals	No impoundment of stray animals for the period	N/A
	GTM Law Enforcement in rural areas and scrappings	Conducting rural traffic program as per schedule. Manage and follow up on vehicle scrappings	Rural operations in progress as scheduled	N/A
	Kukula Ndlela drunken-driving blitz project	Additional roadblocks - 2 (Drunken driving Blitz)	2 roadblocks per week and rely on hospitals for blood-alcohol tests.	N/A
	Minitzani-Bonatsela Traffic centres scholar Education and school points and other clusters	Conduct road safety education campaigns at rural schools (25)	On hold until July 2012.	No funding.

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Table 104: Employees - Law Enforcement (2011/12)						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1		1	1	0
Level 4-6	10	4	60%	35*	16*	54.2%
Level 7-9	27	13	60%			-
Level 10-15	2	2	0%	2	0	100%
Level 16-17	0	0	0	3	2	33.3
Total	40	20	50%	41	19	53.6%

*Affect of changing from TASK grading to VD Merwe

The total number of officers divided into the two shifts. The four supervisors assist in planning and supervision of their colleagues on daily basis. Between the respective two shifts, the first begin work at 06H00 up to 14H00, while the other begins at 10H00 and stretches up to 18H00. Only one shift works on any given weekend, alternating with the other the following weekend. Officers also perform standby duties, especially with occurrence of emergencies like accidents, etc. On average, officers work a total of 32 hours per month for weekends. These hours are Council approved, and only in occasions of unforeseen and extreme circumstances do we allow officers to work beyond the pre-approved 32 hours. The division is short staffed, taking into consideration the vast size of our policing area.

Table 105: Financial Performance 2010/11: Law Enforcement (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	2852	2 101	2 101	6 171	-4 070
Expenditure:					
Employees	8770	8 960	8 960	8 952	8
Repairs & Maintenance	476	213	213	59	154
Other (Security Services)	10949	11 449	11 449	8 790	2 659
Total Operational Expenditure	20195	20 622	20 622	17 801	2 821
Net Operational (Service) Expenditure	(17343)	-18 521	-18 521	-11 630	-6 891

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No capital was available to fund projects for the Law Enforcement division. However, the top 3 service delivery priorities are:-

Law Enforcement including:

- Roadblocks: where vehicles are stopped and examined for roadworthiness and drivers are examined for their capability and Drunken driving cases also attended to.
- Patrols: where officers drive around or walk, identify law breaks and acts accordingly.
- Point duties: officers assist in controls of traffic situations, accident scenes etc. and eases traffic congestions
- Escorts of dignitaries visiting, funeral etc for safety sake.
- Speed checks: an effective way of enforcement for compliance by motorists to avoid accidents.
- Warrants of arrest: Follow ups on unpaid written notices result in offenders being taken to court to answer for their offences.

Scholar patrols

On school days officers are tasked and deployed to selected schools, especially those adjacent to busy roads, and the work is done at specific schools including all schools with the risk of scholars crossing the roads, to and from schools.

Road safety campaigns

- Schools are visited to conduct road safety (on how to observe rules/signs on the road).
- Kids are educated on road safety.
- Communities are sensitized on issues of road safety e.g. robots, pedestrian crossings.
- Throughout the 2011/12 year, great emphasis was put on the two issues of Law Enforcement and scholar patrols for the safety and well-being of our communities.
- Officers have been deployed to service the school points and also to patrol our policing areas including rural areas.
- Vehicles scrapings have been extended to deep rural areas and farms
- Speed law enforcement has always been done across our policing area, including Letsitele, Lenyenye, Nkowankowa and Tzaneen.

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- With regard to school points, we have always serviced areas close to the juristic offices of our provincial government for Traffic because we have noted their reluctant to assist, while we serve with pride especially service to our needy and poor communities of Motupa, Tickyline/Burgersdorp, Sasekani and Khopo. Letsitele.

3.15 DISASTER MANAGEMENT

Disaster Management is as continuous and integrated multi-sectoral and disciplinary process of planning and implementation of measures aimed at disaster prevention, mitigation, preparedness, response, recovery and rehabilitation. (Disaster management Act no. 57\2002).

For disaster Management to be effective, it is important that all concerned parties be made aware of its provision and that every official, role player, departments and personnel be prepared to carry out the assigned functions and responsibilities before, arrangements in the Greater Tzaneen Municipality. Disaster Management's approach is to effectively prevent disasters from occurring and to lessen the impact of those hazards that can be avoided. Emergencies are defined as situations or threats of impending situation abnormally affecting the lives and property of societies. By the nature, or magnitudes these require a co-ordinated response by a number of role-players, both government and private, under the direction of the appropriate elected officials.

Most peace-time natural or man-made disasters/emergencies that occur in the geological areas of responsibility of the Greater Tzaneen Municipality are as follows:

- Fires (Structural and Unstructural)
- Storms (Hail, Wind and Thunder)
- Floods
- Transportation Accidents
- Air/rail crashes
- Building or structural collapse
- Explosions
- Breakdown of essential services, supplies or any combination thereof

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Disaster management preventative/mitigation measures (awareness campaigns during 2011/12)

Awareness campaigns on fire ,floods and communicable diseases were conducted as follows:

- Schools : Dr Annecke ,Totwana and Magret Shiluvana Primary Schools.
- Communities/Wards : Ward 01 ,02,03,04,05,06,Grysappel farm,Lenyenye and Relela MPCC.

Achievements during 2011/12

Special Events

Twenty nine (29) special events were managed according to disaster measures. Emergency plans for the following events, joint inauguration ceremony of local mayors, by-election, mass funerals and to mention a few.

Projects attended

The launching of 10 projects were attended at different venues and stakeholders

Disaster Relief

± 500 households were assisted with food parcels, blankets mattresses and tents.

Challenges

Insufficient staff

Delays in the reporting of incidents by councillors.

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Table 106: Disaster management targets as set out in the SDBIP for 2010/11				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Disaster management	Annual Disaster Management reports submitted to Council and MDM by 31 July	31 July 2011	January 2012	N/A
	% emergency relief cases responded to within 72-hours	100%	100%	N/A
	Institutional Capacity for Disaster management	Monitor the functionality of the Advisory forum & Technical committees for Disaster Management	According to Disaster Management Act, 57/2002, section 51 no 1 this is a district function.	It is a district function, local municipalities coordinates the function.
	Disaster Risk Reduction	Finalise Disaster Risk corporate plan and submit to Council for approval with the IDP. Conduct awareness campaign	Updated and approved by Council on the 28/02/2012. Awareness campaigns were also conducted.	N/A

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Table 107: Employees - Disaster Management (2011/12)						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100%	1	0	100%
Level 4-6	2	1	50%	2	1	50%
Level 7-9	1	1	0%	1	1	0%
Level 10-15	0	0	0%	0	0	0%
Level 16-17	3	1	67%	3	1	67%
Total	7	3	63%	7	3	63%

Table 108: Financial Performance 2011/12: Disaster Management (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	-				
Expenditure:					
Employees	839	1 350	1 350	884	R 466
Repairs & Maintenance		1	1		R 1
Other	253	348	348	267	R 81
Total Operational Expenditure	1 092	1 699	1 699	1 151	R 548
Net Operational (Service) Expenditure	-1 092	-1 699	-1 699	-1 151	R -548

COMPONENT H: SPORT AND RECREATION

The role of the Sports, Arts and Culture office in GTM is to facilitate, coordinate and manage sport activities. There is Sport and Recreation Council in GTM that assist with coordinating all sport related matters in GTM communities. There is Service Level Agreement signed between the Department of Sport Arts and Culture and the Greater Tzaneen Municipality that assist in making sure that sport development takes place in GTM from grass roots levels. The Mayors Cup was renamed to GTM Sports Day and it annually takes place in December. Internal sport is active and operational with the

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view to keep employees and Councilors bodies and minds healthy and active for better service delivery.

3.16 SPORT, RECREATION, ARTS AND CULTURE

GTM hosted local Indigenous games, Arts and Culture competition, O.R Tambo games from Cluster level to local level, this was followed-up with District and Provincial competitions hosted by the Department of Sports, Arts and Culture. The highlights for GTM in terms of sports, art and culture are as follows:

- GTM's internal sport participated in the Provincial and National (hosted in Botswana) Inter Municipal Games arranged by the Southern African International Municipal Sport Association (SAIMSA).
- Greater Tzaneen Marathon and the OR Tambo games hosted
- A local girl from Yingisani Special School won a gold medal from the Paralympic games.
- Nkowankowa stadium is now also accommodating rugby after the Blue Bulls donated rugby poles.
- Grading of soccer fields at rural areas was done in 70 grounds.

The main challenges experienced are:

- The grading of sports grounds are not sustainable, these grounds needs proper construction would require a bulldozer, grader, more soil if necessary, usage of roller. GTM however does not have the financial resources to cover these.
- The Runnymede cluster does not have formal sport facility and
- Rhelela has incomplete stadium at Lerejeni Village which was commissioned by Mopani District but not completed to date.
- There is Arts and Culture Council which is not fully functional. This is mainly due to the absence of funding. Most members are not employed and therefore do not have their own resources to attend meetings and coordinate activities.

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Table 109: Sports and recreation targets as set out in the SDBIP for 2011/12

Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Sport, Arts and Culture	Artificial Soccer field at Burgersdorp (SAFA)	Monitor the construction of the soccer field at Burgersdorp and provide support on request	Construction is complete and only the electricity is still not connected	N/A
	GTM Jazz Festival	Co-ordinate and facilitate arrangements for Jazz festival to be take place on 25 September 2011	Event did not take place	Delay in payments from MDM and signing of SLA
	Indigenous Games	Conduct Indigenous Games In all four clusters, Conduct local Indigenous Games. Transport participants who made it from local events to the District Indigenous Game events.	Cluster indigenous games postponed to August	Dpt of Sports Arts and Culture postponed the event
	Maphungubwe Arts and Culture Competition	Lesedi and Rhelela Clusters visual and performing arts .Local visual and perfuming arts in GTM winners from various clusters compete.	All 4 X Cluster Arts and Culture competitions were held on 19 and 20 May2012. Local Arts and Culture event was held at Nkowankowa stadium on the 09 June 2012	
	OR Tambo Games	Phase 2 O.R.Tambo games will be coordinated and held at Bulamahlo and Rhelela Clusters where catering will be provided. Phase 2 Local O.R. Tambo Games will be held where all participants will be catered.	Not Applicable, due to change of programme from the Department Sport Arts and Culture. Busy with Farms sport festival	
	SAIMSA Games	Co-ordinate and facilitate SAIMSA Games to b held during last week in September	SAIMSA games attended	

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Table 110: Employees - Sport, Arts & Culture (2011/12)						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	0	1	0	100
Level 4-6	0	0	0	0	0	0
Level 7-9	3	3	0	3	3	0
Level 10-15	0	0	0	0	0	0
Level 16-17	0	0	0	0	0	0
Total	3	3	0	3	3	0

The budget for the Sport, Arts and Culture section forms part of the budget for Parks and Recreation (See Table 90).

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COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

3.17 EXECUTIVE AND COUNCIL

Purpose of the Executive Committee

To take responsibility within the Executive on the basis of individual and / or collective responsibility for a delegated portfolio of services or functions of the council

Key Duties and Responsibilities

- To participate in the Executive and to implement agreed policies by taking responsibility individually and / or collectively for any portfolio allocated by the Leader of the Council, including providing a lead on and proposing new policy, strategy, programming, budget and service standards.
- To exercise delegated powers in accordance with the Council's constitution
- To consult and communicate with members of all party groups, council officers and key partners as appropriate to ensure decisions are well formed and that Council policies are widely understood and positively promoted
- To ensure that the party group is briefed at the appropriate time on significant issues within the respective portfolio – i.e. those which have financial or other major resource implications will result in a change in established policy, or which are contentious or politically sensitive.
- To act as spokesperson within and outside the Council for matters within the portfolio
- To have responsibility for liaison with Chief Officers and other senior officers responsible for the services within the portfolio
- To answer and account to the Council and the community for matters within the portfolio
- To respond within agreed timescales to the recommendations of relevant overview and scrutiny panels
- To seek to involve and consult non Executive members in the area of work for which they have responsibility, particularly members of the relevant overview and scrutiny panel
- To represent the Council and the political administration in the community and elsewhere as required by the Leader

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COUNCIL

Council's roles are set out in Section 6 of the *Local Government Act 1999*. Their principal roles are to:

- Act as representative, informed and responsible decision makers in the interests of their communities;
- Provide and co ordinate various public services and facilities and to develop their communities and resources in a socially just and ecologically sustainable manner;
- Encourage and develop initiatives within their communities for improving the quality of life within them;
- Represent the interests of their communities to the wider community; and
- Exercise, perform and discharge the powers, functions and duties of Local Government in relation to their areas, as contained in the Local Government Act 1999 and other Acts.

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Table 111: Executive and Council targets as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Council Structures	% of Council resolutions implemented	100%	48%	Not all resolutions were implemented
	# of Council sittings	4	4 Normal	

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Table 112: Employees – Executive and Council (Mayor & MM offices) (2011/12)

Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100%	1	0	100%
Level 4-6	2	1	50%	2	1	50%
Level 7-9	1	1	0%	1	1	0%
Level 10-15	0	0	0%	0	0	0%
Level 16-17	3	1	67%	3	1	67%
Total	7	3	63%	7	3	63%

Table 113: Financial Performance 2011/12: Executive & Council (MM & Mayor office) (R'000)

Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	0	1	1	0	0
Expenditure:					
Employees	16913	22595	22595	20951	1644
Repairs & Maintenance	-	557	557	90	467
Other	2054	2352	2352	2668	-316
Total Operational Expenditure	18967	25504	25504	23709	1795
Net Operational (Service) Expenditure	(18967)	-25503	-25503	-23709	-1794

3.18 FINANCIAL SERVICES

The three main priorities per division can be summarized as follows:

Financial Services and Reporting Division

The budget office co-ordinates the drafting of Council budget through the Budget Steering Committee and the participation of all departments. This includes the calculation of cost reflective tariffs to ensure a full, funded budget. The drafting of Council's adjustment budget is also the responsibility of this division. The division is also responsible for financial reporting which includes the compilation of the Annual Financial Statements as well as the Section 71 reports. The division is also responsible for the insurance portfolio of Council, Insurance administration and claims management.

Revenue Division

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The Revenue division is responsible for billing and rendering of municipal accounts. The division also renders municipal accounts, which are based on metered services calculated on approved service tariffs. The division manages revenue collection which include the receipting and balancing thereof, on a daily basis, along with credit control and debt collection. Outstanding accounts are subjected to credit control actions, which include:

- SMS
- Final Notice
- Disconnection of service
- Payment arrangement where applicable

Where credit control is not successful the outstanding debtor account is handed over for debt collection. The Division must also manage property rates through the implementation of the MPRA which includes maintaining, interim valuations and balancing of the valuation roll to Council financial system. Finally, the division is also responsible for the indigent register and must review the indigent policy on an annual basis and manage the registration and verification of the indigent.

Expenditure

The division manage all processes for payment of creditors, direct payment and contract payment in line with the approved budget. The division is also responsible for salary management through the financial administration of all salaries and salary related issues are also responsibilities of this division. It includes all statutory dedications and other personnel related deductions. The division is further responsible for asset management through the administration and co-ordination of Councils asset register which includes annual asset verification, depreciation, impairment and the determining of asset condition.

Supply Chain Management

The division is responsible for the timely planning and management processes to ensure that all goods and services required by the Municipality are quantified, budgeted for and timely and effectively delivered at the right location and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost. Also for acquisition management by ensuring that goods and services are procured by the Municipality in accordance with authorized processes and that the expenditure on goods and services is incurred in terms of an approved budget in terms of Section 15 of the Act. Lastly the division must manage an inventory kept by Council to ensure continuous supply

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of essential services. This includes the day to day procurement of stock items, the issuing of stock and the control of stock.

Table 114: Debt Recovery (R'000)						
Details of the types of account raised and recovered	2010/2011			2011/2012		
	Billed in year	Actual for accounts billed in year	% of accounts value billed that were collected in the year	Billed in year	Actual for accounts billed in year	% of accounts value billed that were collected in the year
Property Rates	47 430	34 725	73.22%	55 727	47 410	85%
Electricity Basic	-	-	-			
Electricity Consumption	280 225	268 441	95.80%	337 909	323 552	95.75%
Water Basic	-	-	-			
Water Consumption	-	-	-			
Sanitation	-	-	-			
Refuse	21 877	16 168	73.91%	24 149	20 102	83.24%
Other	-	-	-	55 727	47 410	85%

The payment rate for electricity is higher than that for the other services as the allocation of payment is fully set off against electricity debt. The Property rate is the only tax available to Local Authorities and the revenue is not dependant on a metered service. There is no direct relationship between the services rendered to individual ratepayers and the tax levied. The Property rate is based on the valuation of the property and the tariff is calculated as a cent in every rand of the valuation of property.

Electricity Service

The proposed revisions to the tariffs have been formulated in accordance with Section 74 of the Municipal Systems Act as well as the recommendations of the National Energy Regulator of South Africa (NERSA). Guidelines for the Municipal Electricity tariff increases in July are normally published

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by NERSA in the previous December. National Treasury has indicated that municipality's must prepare their budgets using ESKOM bulk increases. The increase in the electricity tariff was 21,3%.

Refuse Removal Service

According to the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996) a municipality must ensure a safe and healthy environment for its residents. Greater Tzaneen Municipality is therefore responsible to adequately maintain its refuse removal service. We must also maintain our refuse sites and solid waste disposal efforts. The top priority of revenue collection in all three service areas is to improve payment rate through the approved revenue enhancement strategy

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Table 115: Financial Services targets as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Administration	Updated and credible indigent registers	100%	100%	N/A
	Timeous submission of annual financial statements	31-Aug-11	31-Aug-11	N/A
Debt management	% of Loan amount utilised for capital projects	100%	85%	Loan was approved late
	R-value outstanding service debtors	R192 000 000	R 230 087 802	N/A
	Average % Payment rate for municipal area	90%	93%	N/A
	R-value total debts written off annually	R 13 728 913	R 62 000 000	UMS appointed to clean data
Financial Management and Budgeting	% variance from annual Legislated Budget timetables	0%	0%	0%
	% of budget allocated for training and development (SDP)	1.32%	1.39%	1.32%
	% Operating budget for Councillor allowances (Councillor allowances budgeted / total operating budget)	2.25%	2.26%	2.25%
	% General expenses budget / Operating expenses budget	10%	11%	10%
Financial viability	<i>Cost coverage ratio</i>	1.8	2.32	N/A
	<i>Debt coverage ratio</i>	9	35.77	N/A
	<i>Outstanding service debtors to revenue ratio</i>	100%	68%	N/A

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Table 115: Financial Services targets as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Municipal Assets	% GRAP compliance (asset register)	100%	100%	N/A
Revenue Management	% reduction in rates and services billed, not recovered	1%	0%	Only 1st phase write off's done
	% Revenue from grants	38%	30%	Money reverted back to national treasury
	R-value MIG funding / R-Value Capital budget as %	37%	19%	N/A
	% equitable share received	100%	95%	Money reverted back to national treasury due to under spending on conditional grants
	% compliance to revenue enhancement strategy implementation plan	100%	100%	N/A
Supply chain management	Total R-value of contracts awarded during the financial year	Reporting only- no target	R 138 055 183.51	N/A
	Average time taken from tender advertisement to submission of recommendation to the MM (# of weeks)	8	12	N/A
Unqualified audit	Audit opinion	Unqualified	Qualified	N/A

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Table 116: Employees -Financial Services (2011/12)						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	6	4	16%	6	5	33%
Level 4-6	19	12	37%	20	15	25%
Level 7-9	44	29	34%	44	28	36%
Level 10-15	2	0	100%	1	0	100%
Level 16-17	4	3	25%	4	2	50%
Total	75	48	26	75	50	33%

Table 117: Financial Performance 2011/12: Financial Services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	152 568	173 050	173 050	199 860	-26 810
Expenditure:					
Employees	16 214	19 456	19 456	17 965	1 491
Repairs & Maintenance	130	131	131	58	73
Other	28 777	28 742	27 742	36 763	-9 021
Total Operational Expenditure	45 121	48 329	47 329	54 786	-7 457
Net Operational (Service) Expenditure	-107 447	124 721	125 721	145 074	-19 353

The actual operational revenue amounts to R200 million whilst the actual operating expenditure amounts to R145 million. This represents a surplus of R55 million. It must however be mentioned that the actual income represents 115% of the budgeted amount and the actual expenditure represents 116% of the budgeted amount. It needs to be mentioned that the revenue excludes revenue received from tariffs and property rates. The actual income includes grant allocations of R165 million and the overspending on actual total operating expenditure is mainly due to the overspending on provision for Bad Debts.

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3.19 HUMAN RESOURCE SERVICES

The mission of the HR Division – which falls under the Corporate Services Department – is to effectively manage the rendering of Human Resources advisory and support services to Council and internal/external clients through the following functions:

- Personnel Administration
- Personnel Provisioning and Employment Equity
- Training, Education and Development
- Labour Relations
- Organizational Development
- Occupational Health and Safety & Employee Wellness

The top three service delivery priorities for 2011/2012 were to:

- Review and re-align the organogram of the Greater Tzaneen Municipality in line with the IDP and service delivery needs
- Fill the service register after due process with capable and competent staff for those critical, essential and budgeted positions
- Maintain and where possible enhance all HR Policies, procedures, practises and systems to the benefit of all stakeholders

The impact the HR Division had made on the above three key service delivery option were that –

- The organogram, with the assistance of an external service provider, was reviewed, aligned and approved by Council for implementation with effect from 1 July 2011. An extended consultative approach of all stakeholders, including organized labour, was followed in order to reach the desired outcome. The primary focus was placed on enhancing the present service delivery functions, but also to provide for new functions, for example, a new Department for the Office of the Mayor.
- In order for the Greater Tzaneen Municipality to function properly all critical, essential and budgeted positions on request of the various line-managers must be filled timeously. In this regard the Personnel Provisioning Policy is used as policy guide to ensure the fair and

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equitable appointment of staff. The representatives of organised labour also play an important observers role in this regard.

- The turnover of staff and other relevant statistics are being dealt with under separate headings in this Report.
- An ever changing environment and legislative amendments have to be accounted for in policies, procedures and practises. Therefore, policies, procedures, practises and systems have to be aligned from time to time to keep abreast of such changes.
- The impact of such amendments can be observed in the implementation of same. Compliance to legislation and agreements is and still remains an important focus area for this Municipality.

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Table 118: Human Resource Management targets as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Employment equity	# of people from employment equity target groups employed in the three highest levels of management	22	19	N/A
	% of employees in the three highest levels of management that are female	35%	2	N/A
	% of employees that have a disability	2.2%	2.30%	N/A
	% of employees that are female	35%	34.10%	N/A
	% of employees that are youth	35.5%	35.20%	N/A
	% Compliance to Employment Equity plan	100%	100%	N/A
Labour relations	% of critical posts filled	100%	100%	N/A
	# Industrial actions	0	3	Remuneration disputes
Organisational Design	Total Number of staff employed in the municipality	Reporting only	651	N/A
	Number of budgeted posts vacant for more than three months during the financial year	Reporting only	12	N/A
	Total Number of Section 57 staff employed	8	5	N/A
	Number of Section 57 posts vacant for more than three months	1	3	N/A

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Table 119: Employees - Human Resource Services						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0%
Level 4-6	8	4	50%	8	6	25%
Level 7-9	2	1	50%	4	2	50%
Level 10-15	2	1	50%	3	1	50%
Level 16-17	0	0	0	0	0	0
Total	13	7	46%	16	10	37.5%

Table 120: Financial Performance 2011/12: Human Resource Services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	54			272	R -272
Expenditure:					R 0
Employees	15 403	3850	3850	11110	R -7 260
Repairs & Maintenance	-	5	5	2	R 3
Other	1 514	1741	1741	1999	R -258
Total Operational Expenditure	16 917	5596	5596	13111	R -7 515
Net Operational (Service) Expenditure	(16 863)	5596	5596	12839	R -7 243

Only two capital projects were requested by the HR Division, namely, the purchasing of an air conditioner for the HR Archive and the purchasing of Zippel file cabinets for the new planned HR Archive. Both these two capital projects were finalized successfully.

Despite the fact that in the HR Division only ten of the 16 positions was filled (37.5% vacancies) an acceptable level of service to internal and external clients was rendered. An insignificant number of complaints regarding the quality of the services rendered during the 2011/2012 financial year were received. The HR Division was commended for their quick response times in addressing the matters at hand. Data for all employees and councilors for the allocating of tax numbers were captured.

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Similarly all data was captured for 340 ward committee members for the payment of stipends. The once off three month's payment for 38 ex-councillors as instructed by SALGA was also done well in time. Similarly the Personnel Administration Section performed well and all the basic transactions and record keeping were done to satisfaction. The function of personnel provisioning and the employment equity project is receiving the necessary attention and progress are made in terms of demographic representation as well as gender and disability representation.

As far as the Education, Training and Development Section was concerned, the legislative requirements in terms of the submission of the WSP 2011/2012 and ATR 2010/2011 were complied to and monetary grants received back for the efforts. Progress albeit slow was made with ABET training with the assistance of an outside service provider sponsored by the LGSeta. The overall execution of all the needs identified in the WSP was however hampered due to cash flow considerations.

It can be reported that the bulk of the training vote allocation was directed to senior management/management and councilors to attend the MFMP programme that is being conducted by the University of Pretoria. As from 1 January 2013 certain categories of staff will have to comply with the Guidelines for Municipal Competency Levels of 1 July 2007 issued in terms of the Local Government Municipal Finance Management Act, 2003.

The execution of the OD and Labour Relations functions were still a challenge as these units were without staff, but the functions must be executed. The functions for OHS and EAP are functioning extremely well under the able guidance of Ms. Granny Matsaung; who also received the HR Practitioner of the Year Award for 2011 of the Institute of Municipal Personnel Practitioners of Southern Africa (IMPSA). It is the view that the HR Division with its dedicated and loyal staff have contributed significantly to the overall achievements and success of the Greater Tzaneen Municipality.

3.20 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

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It is the responsibility of the Information Technology Division under the Corporate Services Department to ensure that policies, procedures and standards regarding computer-related items are defined and adhered to. The Information Technology Division offers the following services:

- IT End Users Support (Hardware and Software).
- End User Training (Formal-classroom situation).
- End User Support Training (informal-telephonic or individual).
- Office round to check if system is used optimally.
- Liaise with outsourced service providers i.e. SITA, SALGA, Provincial and National Local Government department regarding all escalated problems.
- Backup services.
- Disaster recovery plan
- Procurement of all IT equipment and Computer rollout.
- Audit of computer equipment.
- Computer Consumables such as Mouse, Printer, Ink and cartridges,
- Data Security.
- Advisory capacity on effective business processes
- Maintenance and control of telephonic communication systems

SERVICE DELIVERY PRIORITIES

- Rural Broadband Project – will assist the communities to connect through the satellite offices and e-Schools (Phase 2) to access the Municipal Services and information from the townships and villages. The Phase 1 of the project which is connecting all the Satellite Offices has been completed (with 80% of the Offices connected), and the work on the remaining 20% is due to commence on early 2013.
- IT Infrastructure Refurbishment – the upgrade on the servers and computers enables the community to get help from Municipal officials faster and ensures that the Municipal Systems are running from reliable infrastructure. This project was completed successfully during the 2010/2011 financial year and is now on a three year lease contract.
- Mayoral Hotline – This project will connect the Municipality and the community to assist on accountability and incident reporting. The service provider has not yet been appointed.

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Challenges for the information technology division

ProMis Administration

- Management meeting resolution earlier this year (2011) indicated that Finance Director (CFO) should schedule a full ProMis administration training with Fujitsu (Service Provider) for an IT Support Officer this should be done to provide a centralized ProMis Administration and also based in the IT Office.

Training

- ICT is a dynamic field which requires constant engagement with other IT professionals from other government institutions, and most importantly trainings and workshops on the latest developments, threats and legislations.
- The Human Resources division has made provision for training of IT Staff during the current financial year which is a major improvement compared to the previous financial years.

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Table 121: Information Technology targets as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Information Management	% Daily Data and mail backup available	100%	100%	N/A
	% of printing faults attended to within 1 working day	100%	100%	N/A
	% of Attendance to IT faults within 24Hours.	100%	100%	N/A
	% of workstations with access to IT network	95%	100%	N/A
	hrs downtime for outside work stations	0	0	N/A
	# of website updates	Reporting only - no target	21	N/A
	Rural Broadband connectivity	Maintain broadband infrastructure	90% Implemented. All required equipments secured and installed by the Service Provider.	Awaiting License from ICASA to activate satellite connectivity.
	Maintenance Contract Tally-Genicom line printers	Monitor implementation of SLA for maintenance of Tally-Genicom line printers	Maintenance and repairs of the printers done as required	N/A
	Purchase Projectors	Manage usage of projectors and maintain	Four Projectors procured.	N/A
	IT equipment refurbishment and leasing	Manage and maintain equipment. Expand wireless network & Install fibre optic backbone in Council Buildings	Fibre optic too costly therefore microwave solution was implemented . Surveys done on all sites, towers not yet constructed.	Service Provider awaiting ICASA license to start construction of towers

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Table 122: Employees - Information Technology Services						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	0	100%	1	0	100%
Level 4-6	2	0	100%	2	2	0
Level 7-9	2	0	100%	3	2	1
Level 10-15				0	0	0
Level 16-17				0	0	0
Total	5	0		6	4	33.3%

During the middle nineties, Council could not secure competent IT Staff due to the fact that the Greater Tzaneen Municipality's wage/salary structure was not competitive with the market. Subsequently, the IT function was outsourced to the private sector. However, during the reporting period and due to changing circumstances, it was decided to in-source the function again. The benefit of this arrangement is that adequate skills could now be sourced in the market; which can also be transferred to subordinates. Continuity in the IT function and the retention of such skills are paramount in rendering this important function.

Table 123: Financial Performance 2011/12: Information Technology Services (R'000)					
Detail	2010/2012	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	R 0.00				R 0
Expenditure:					R 0
Employees	781	1030	1030	1123	R -93
Repairs & Maintenance	R 780 507	571	571	332	R 239
Other	R1 008 635	2521	2521	1917	R 604
Total Operational Expenditure	R1 752 221	4122	4122	3372	R 750
Net Operational (Service) Expenditure	- R3 541 363	4122	4122	3372	R 750

During the 2011/12 financial year the IT infrastructure was given a major overhaul through:

- 150 HP Computers and 150 Samsung LCD Monitors

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- Replacing all Server Room, First Floor and Ground Floor Switches.
- Replacing Firewalls and Routers.
- Replace servers with new ones (Mail, Domain Controller, Antivirus, Printer, Backup, Data)
- Install a new UPS for the Server Room
- New Internet System (Blue Coat)
- Total Costs for above is: R,246,395.01
- Cabling Upgrade from Cat5 to Cat6, Plus cutover. – R529,321.91

The four largest capital projects are:

- Rural Broadband Project – this project will assist the communities to connect through the satellite offices and eSchools (Phase 2) to access the Municipal Services and information from the their townships and villages. **±R5000 000**
- IT Infrastructure Refurbishment – the upgrade on the servers and computers enables the community to get help from Municipal officials faster and ensures that the Municipal Systems are running from reliable infrastructure. **±R4000 000**
- Mayoral Hotline – This project will connect the Municipality and the community to assist on accountability and incident reporting. **±R500 000**
- eParticipation – Help Municipality get in touch with all Community members and receive feedback instantly. Through this project other stakeholders (e.g. SAPS, Home Affairs, Banks, etc) can use the system to deliver vital information to the community. Value to be determined by the Project Sponsor i.e. GIZ ZA.

3.21 LEGAL SERVICES

The role of the legal services division is to render legal advice to council, drafting of legal documents, interpretation of contracts, drafting of by-laws, to institute and defend legal actions on behalf of the municipality and to perform any statutory duties that council may confer on it.

The highlights in respect of the achievements over the past financial year have been the introduction of a proper filing system which is aimed at facilitating proper documents location and precedents

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management. This was done with a view to position the legal division to resemble a normal professional legal environment.

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Table 124: Legal support targets as set out in the SDBIP for 2011/12				
Programme	Project/ KPI	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Legal Support	R-value spent on external legal fees	Reporting only - no target	R4,5 Million	Municipality currently engaged in number of cases before High Court
	Delegation of Authority	Appoint service provider to review of Delegation of Authority. Monitor review of Delegations and submit to Council for approval. Arrange a Workshop on delegations by September '11	Not implemented. Delegations were not revised in the 2011/2012 financial year	Insufficient budget to appoint the Service Provider.
	Promulgation of By-laws	Ensure that by-laws are promulgated. Monitor the public participation process and finalise by-laws for promulgation	90% PPP is in progress for all identified By-Laws.	We are finalizing PPP on the identified By-Laws

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Table 125: Employees – Legal Services (2011/12)						
Job level	2010/2011			2011/2012		
	Nr of Posts	Positions Filled	Vacancy rate	Nr of Posts	Positions Filled	Vacancy rate
Level 0-3	1	1	0	1	1	0
Level 4-6	1	1	0	1	1	0
Level 7-9	1	1	0	1	1	0
Level 10-15	0	0	0	0	0	0
Level 16-17	0	0	0	0	0	0
Total	3	3	0	3	3	0

Table 126: Financial Performance 2011/12: Legal Resource Services (R'000)					
Detail	2010/2011	2011/2012			
	Actual	Budgeted	Adjustment Budget	Actual	Variance
Total Operational Revenue (excluding tariffs)	–				R 0
Expenditure:					R 0
Employees	1,269	1285	1285	1399	R -114
Repairs & Maintenance	–	0	0	0	R 0
Other	3,069	2464	2464	7150	R -4 686
Total Operational Expenditure	1,268,643.71	3749	3749	8549	R -4 800
Net Operational (Service) Expenditure	-1,268,643.71	3749	3749	8549	R -4 800

No capital projects were planned or implemented for Legal Services during the 2011/12 financial year

COMPONENT J: ORGANISATIONAL PERFORMANCE SCORECARD

The full Annual Performance Report for 2011/12 is included as **Annexure D**.

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CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

Introduction

Although the Greater Tzaneen Municipality has made provision on its organizational structure for an Organizational Development (OD) Unit, by way of two positions, namely, that of a Work Study Officer and a Work Study Assistant such Unit was not sourced by officials during the 2011/2012 financial year. Financial provision will have to be made for the 2013/2014 financial year to fill at least the position of Work Study Officer with a competent person. Some of the critical aspects that must be dealt with by the Work Study Officer are to:

- Coordinating all TASK Job Evaluation and related activities
- Perform organizational studies to ensure proper lines of command and work flow
- Undertaking work studies to ensure better performance and productivity
- Ensuring an updated organogram using Orgplus software
- Assisting with the development and conducting of HR related surveys
- Assisting with the development and implementation of an organizational Performance Management System (PMS) for employees in collaboration with the PMS Unit of the Office of the Municipal Manager

From the above, it will be observed that there are many challenges that must be addressed by this Unit; including the full implementation and maintenance of the TASK Job Evaluation Outcome as well as the cascading of the PMS to employees lower than job 3 (now job levels T15 and T14).

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

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4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Table 127: Employee turnover					
Department (functions)	2010/2011	2011/2012			
	No of Employees	Approved positions	No of Employees	No of Vacancies	% Vacant
Engineering Services (Roads& Stormwater, Water & Sanitation, PMU, Building & Fleet Maintenance)	152	592	162	430	72.6%
Electrical Services	82	186	108	78	41.9%
Community Services (Waste management, Libraries, Parks & Cemeteries, Sports & Recreation, Environmental Health & HIV/AIDS, Licensing, Traffic)	251	430	252	178	41.3%
Planning & Economic Development (LED, Town Planning, Housing, Youth, Gender & Disability)	15	30	19	11	36.6%
Chief Financial Officer (Expenditure, Revenue, Financial Services and budgeting, Supply Chain Management)	50	75	50	25	33.3%
Corporate Services (Legal, Communication, Archives & Records, HR, Public Participation & IT, Council Admin Support)	54	69	47	22	31.8%
Municipal Manager (Disaster Management, Internal Audit, IDP, Performance Management)	10	24	11	13	54.1%
Office of the Mayor (Administration and Special Programs)	0	10	4	6	60%
Total	614	1416	653	763	53.8%

A comparison between the 2010/2011 and 2011/2012 financial years show that the number of officials actually employed has increased from 614 to 653. This can be explained by the fact that certain services, for example, the cleansing and slashing functions which were previously outsourced are now being performed internally again. A vacancy rate of 53.8% will be observed. Out of the 1416 positions approved not less than 763 were vacant as on 30 June 2011.

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Table 128: Vacancy Rates (2011/2012)

Designation	Total Approved posts	Vacancies	Variances (as % of total posts in each category)
Municipal Manager	1	1	100%
CFO	1	0	0%
Other Section 57 Posts	7	3	42%
Middle Management: Financial (Level 3)&4	8	2	25%
Middle Management: non-Financial (Level 3)&4	38	22	57.8%
Highly skilled supervision: Financial (Level 5-6)	23	13	56.5%
Highly skilled supervision: Non-Financial (Level 4-6)	259	128	49.4%
Total	337	169	50.1%

An analysis of the upper levels shows a vacancy rate of 50% which is slightly lower than the 53.8% for the whole Municipality. The matter of 49.4% for highly skilled supervision (non-financial) (Levels 4-6) is an area of concern that must be addressed in the 2012/2013 financial year.

Table 129: Employee Turnover rate

Year	Total No of posts filled at the beginning of the financial year	Terminations during the financial year	Turnover Rate*
2008/2009	613	46	7.5
2009/2010	621	43	6.9
2010/2011	630	48	7.6
2011/2012	619	28	4.5

From the data above, it seems that the turnover rate of the Greater Tzaneen Municipality is in the region of 4.5%. This rate is acceptable bearing in mind that about 60% of this rate can be attributed to deaths and retirements over which the Municipality has no control. It can be indicated that in the banking sector, for example the turnover rate is around 12%. As far as senior management positions are concerned, three of the seven director positions was vacant as on 30 June 2012, namely, that of the Director Engineering Services Director Corporate Services, and Director (Office of Mayor). The positions will be filled in the 2012/2013 financial year. It can be indicated that the contract of all

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directors lapsed on 30 June 2012 and will have to be filled afresh by way of five year fixed term contracts coupled to annual renewable performance agreements.

Staff with the appropriate qualifications and experience and who competed for the vacant positions advertised, was promoted when they were found to be the best applicants after the interviews. A total number of twelve officials were promoted during the year under review.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

Introduction

The workforce is being managed by a group of dedicated senior managers (directors) and managers who all is well qualified in their respective areas of expertise. They have the necessary experience and skills to translate policy directives into services to the community. Some of these senior managers were employed on contract since 2002 and during the years has obtained vast knowledge and experience of the Local Government Sector. Newly appointed directors/managers also brought in much needed skills and expertise which assist in achieving the strategic intent of the Greater Tzaneen Municipality.

4.2 POLICIES

As per legislative requirements Section 67 of Municipal Systems Act, 2000 the process to develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration continued. Where necessary, policies were reviewed to accommodate changing circumstances. It is the intention to standardise all Human Resources related policies to a uniform standard.

A Retention Strategy was drafted and submitted to the relevant Cluster, and it was approved for implementation on 29 May 2012.

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Table 130: HR Policies and Plans			
Name of Policy		% Completed	Date adopted by Council (or comment on failure to adopt)
1	Affirmative Action	100%	24/6/1996
2	Attraction and Retention	100%	A45 of 29/05/2012 (New Policy)
3	Code of Conduct for Employees	100%	As per Schedule to System Act
4	Delegations, Authorisation and Responsibility	100%	Not HR Competency (Legal Services)
5	Disciplinary Code and Procedures	100%	As per SALGBC Agreement (B40 of 24 August 2010)
6	Essential Services		Agreement under review due to new organogram
7	Employee Assistance/Wellness	100%	B109 of 25 November 2008
8	Employment Equity	See 1	
9	Exit management	See 2	
10	Grievance Procedures	100%	As per SALGBC Agreement
11	HIV/AIDS		HR competency (B126 of 26/11/2002
12	Human Resources Development	100%	B77 of 26/8/2008
13	Information Technology	100%	A 42 of November 2011
14	Job Evaluation	100%	Agreement has lapsed on 31/10/2009
15	Leave	100%	As per SALGBC & DCoS Agreements
16	Occupational Health and Safety	100%	B112 of 25 November 2008
17	Official Housing	100%	B158 of 31/8/2004
18	Official Journeys	100%	B172 of 31/8/2004
19	Official transport to attend funerals	100%	Only Guidelines
20	Official Working Hours and overtime	100%	Only Guidelines (A71 of 29/2/2000)
21	Organisational Rights	100%	As per ORA in Main Agreement
22	Payroll deductions	100%	A249 of 30/8/1999
23	Performance Management and Development	100%	For job levels 0-3 only. A32 of 25/8/2011
24	Recruitment, Selection and Allowances	100%	B26 of 22 February 2005
25	Remuneration Scales and Allowances	100%	B240 of 30/11/2004
26	Sexual Harassment	100%	A364 of 21/11/2000
27	Skills Development	100%	B77 of 26/8/2008
28	Smoking	100%	A15 of 26/05/2009
29	Special skills		Not developed
30	Work organisation		Not developed

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Table 130: HR Policies and Plans

	Name of Policy	% Completed	Date adopted by Council (or comment on failure to adopt)
31	Uniforms and Protective Clothing	100%	B14 of 26/5/2009
32	Policy on Granting of Bursaries to Employees	100%	A35 of 29/11/2011
33	Policy on Temporary Employment of Students	100%	28/09/1998
34	Anti-Corruption Policy	100%	A16 of 26/5/2009
35	Policy for Labour Relations	100%	29/7/1996
36	Language Policy	100%	29/1/2002
37	Risk Management Policy	100%	B63 of 2003
38	COIDA	100%	A44 of 28/08/2012 (New Policy)

4.3 INJURIES, SICKNESS AND SUSPENSIONS

Table 131: Number and cost of injuries on duty (2011/12)

Type of Injury	Days Injury leave taken	No of employees	% of Employees using sick leave	Average injury leave per employee³	Total estimated cost
Required basic medical attention only	166	10	1.53%	16	R85 656
Temporary total disablement	0	0	0	0	0
Permanent Disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	166	10	1.53%	16	R85 656

From Table 128 above it will be observed that a total of 166 days sick leave occurred due to injury-on-duty cases. This constitutes 1.5% of employees who was involved in such incidences. The OHS and EWP Section are continuously busy with awareness creation regarding safe working conditions and the role that each and every individual can play in limiting incidences of injury-on-duty. The three OHS Committees are also used as platform to propagate a safe working environment within the OHS System which is in place. Inspections of workplaces are being done throughout the year and where necessary, follow-ups are being done to monitor compliance. The internal newsletter is also being

³ Not determinable

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used to place articles relating to OHS matters and to conscientize workman/women. During the induction program of new entrants, time is being spent on OHS and EWP matters.

Table 132: Number of days and cost of sick leave (excluding injuries on duty) for 2011/12

Designation	Total sick leave (days)	% of sick leave without medical certification	Employees using sick leave*	Estimated cost@ basic salary
Unskilled and defined decision making (level 16-17)	1106	5%	141	R300 290
Semi skilled - discretionary decision making (level 10-15)	443	6.7%	61	R163 446
Skilled, technical and academically qualified workers (7-9)	917	11.6%	79	R550 746
Professionally qualified and experienced specialists (middle management) level 4-6	545	15.4%	65	R498 064
Management (level 3)	96	18.7%	17	R338 924
Senior Management (level 0-2)	0	0	0	0
Total	3107	9.4%	363	R1.851 470

The average sick leave taken per employee is 4.7 days which is regarded as acceptable. This compares favourably with the five days reported for the 2010/2011 financial year. No suspensions occurred during the 2011/12 financial year (See Table 130).

Table 133: Number and Period of Suspensions

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
0	0	0	0	0

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4.4 PERFORMANCE REWARDS

Table 134: Performance Rewards By Gender 2011/12

Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards 2010/11	Proportion of beneficiaries within group
				R' 000	%
Unskilled and defined decision making (level 16-17)	Female	77	0	0	0
	Male	168	0	0	0
Semi skilled - discretionary decision making (level 10-15)	Female	80	0	0	0
	Male	151	0	0	0
Skilled, technical and academically qualified workers (7-10)	Female	56	0	0	0
	Male	85	0	0	0
Professionally qualified and experienced specialists (middle management) level 3-6	Female	7	1	R46 874.85	25%
	Male	21	2	R101 562.17	50%
Senior management (level 0-2)	Female	2	1	R51 405.95	25%
	Male	4	0	0	0
Total		651	4	R199 845.97	
Has the statutory municipal calculator been used as part of the evaluation process?					Yes

Table 131 presents the performance awards made during 2011/12 for the assessments of performance during the 2010/11 financial year. Employee performance management has been cascaded to level three only. Due to human resource limitations further cascading is dependent on the appointment of additional personnel to manage the system. Four employees qualified for a performance bonus, which were the Municipal Manager and the Managers for Environmental Health, Land Property and Housing and also Budget and Treasury. The scoring system is based on Regulation 805 of 2006 and is applied uniformly for all employees.

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COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

Greater Tzaneen Municipality accepted its legislative responsibility that requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way. An amount of R1 084 725 was allocated for training for the 2011/2012 financial year of which 100% was spent. However, it must be indicated that the bulk of the monies were used to pay for the Municipal Finance Management Development Programme (MFMP) for 27 senior management, management and councillors. This programme of the University of Pretoria (UP) will ended at the end of December 2012. The Workplace Skills Plan (WSP) for 2011/2012 was developed and submitted to the LGSeta before the due date of 30 June 2012. Grant disbursements of R160 000 were received from the LGSeta for the training efforts made.

Implementation of the workplace skills plan

In terms of the Workplace Skills Plan, the following training interventions were priorities:

- Special Technical – these are department specific training interventions.
- Support training interventions – these include management training, supervisory training, etc.
- Financial – Financial management courses; especially for non-financial managers.
- Life Skills and Basic Education – these include Adult Basic Education and Training (ABET).
- Management/Leadership – these include management development programmes, etc.
- Occupational Health and Safety – these include the OHS representative training and the responsibilities of managers on OHS Act, etc.

From the Workplace Skills Plan for 2011/12, the following should be noted:

- Number of beneficiaries to be trained: 306
- Number of beneficiaries actually trained: 111
- % of WSP Implementation: 36.2%

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A summary of the beneficiaries trained during the financial year, per occupational category, is presented in Table 132:

Table 135: Training interventions by occupational category, gender and race for 2011/12									
Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, snr officials and managers	15	0	0	4	6	0	0	1	26
Professionals	1	0	0	0	2	0	0	0	3
Technicians and associate professionals	5	0	0	5	2	0	0	0	12
Clerks	2	0	0	0	6	1	0	2	11
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agricultural and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	33	0	0	0	1	1	0	0	35
Elementary occupations	22	0	0	0	10	0	0	0	32
Total Permanent	75	0	0	0	24	0	0	0	99
Non-permanent employees	3	0	0	0	3	0	0	0	6
Total	78	0	0	9	27	2	0	3	119

Training interventions

ABET: A discretionary grant of R320 000.00 was sourced from the Local Government Sector Education Training Authority for ABET for Council employees. The programme started in March 2011 with a record number of 108 employees who enrolled for the programme. The programme was classified under Learner ships to run for a period of twelve months. After the completion of this programme, the plan is to identify those employees who are still outstanding and put them on a full programme for a period of eight (8) months. This approach is the most effective one as it was proved previously

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in the pilot project during the 2007/8 financial year. The employees have been registered into different ABET levels as follows:

Table 136: ABET learners enrolled by course (2011/12)		
Level	Number enrolled Communication in English	Number enrolled Numeracy in English
1	44	44
2	14	19
3	3	3
4	5	0

The challenge for the ABET programme - as indicated in the previous financial years - is the release of employees during working hours to attend classes. Though the number of illiterate employees in Council has drastically dropped, this must be clearly indicated that the most number of employees who still want to attend the ABET programme to uplift themselves must be afforded that opportunity so that they later can also access other training interventions.

Experiential training: 2011/12

As part of its social responsibilities, the Municipality has offered experiential learning to students/learners from institutions of higher learning to obtain their qualifications. These learners came from different universities, FET colleges, university of technologies, etc. and were also coming from various streams. The following is comprehensive data of learners who were assisted through the experiential programme in the Municipality to acquire their qualifications for the 2011/12 financial year:

Table 137: Students trained through experiential programme (2011/12)				
No	Surname & initials	Stream/qualification	Department	Period
1	Makhubele NT	Bachelor Of Earth Science (Hydrology & Water Resource)	Engineering Services	2011/04/11-2012/12/31
2	Malatji TR	Bachelor Of Science: Community Water Services And Sanitation	Engineering Services	2012/08/01-2012/11/30
3	Seabi CM	N3 Water Purification	Engineering Services	2012/08/01-2012/11/30
4	Phephenyane VE	Certificate In Plumbing: Phase 1 & 2	Engineering Service	2012/08/01-2012/11/30

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Table 137: Students trained through experiential programme (2011/12)

No	Surname & initials	Stream/qualification	Department	Period
5	Mhlongo TN	National Diploma Engineering: Chemical	Engineering Services	2012/08/01- 2012/11/30
6	Mogale SD	Diploma Media Studies & Journalism	Corporate Services	2012/01/17- 2012/12/31

The following challenges were encountered during the 2011/12 financial year:

- The worst challenge was the unavailability of funds to implement the Workplace Skills Plan (WSP)
- Training interventions (needs) that are not linked to Departmental objectives. (It was detected that departments did not do proper planning and submit training needs that must be captured in the Workplace Skills Plan (WSP). However, they surf the internet and request those training interventions that does not in any way assist the departments to realise their objectives).
- The release of employees to attend ABET and other related training interventions.
- Poor quality of workmanship by the ABET Service Provider
- Implementation of Learnerships. The investment of the Municipality of the implementation of learnerships and taking into consideration the involvement of the unemployed learners in these learnerships must be increased. The only challenge arises when the Municipality is to contribute a particular percentage of money to the learnership.

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4.5 SKILLS DEVELOPMENT AND TRAINING

Table 138: Skills Matrix

Management level	Gender	Employees in post as at 30 June 2011	Number of skilled employees required and actual as at 30 June 2012											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual 30 June 2011	Actual 30 June 2012	Target	Actual 30 June 2011	Actual 30 June 2012	Target	Actual 30 June 2011	Actual 30 June 2012	Target	Actual 30 June 2011	Actual 30 June 2012	Target
MM and S57	Female	3	0	0	0	2	2	3	1	2	3	3	4	6
	Male	25	0	0	0	4	4	12	0	1	10	4	5	22
Councillors, senior officials and managers	Female	32	0	0	0	2	2	10	2	6	15	4	8	25
	Male	36	0	0	0	4	4	16	7	17	25	11	21	33
Technicians and associate professionals	Female	5	0	0	0	2	2	5	4	2	5	6	4	10
	Male	82	0	0	0	10	10	25	22	16	40	32	26	65
Professionals	Female	14	1	1	5	4	3	6	3	3	8	8	6	19
	Male	15	1	2	8	1	1	4	1	1	10	3	4	24
Sub total	Female	54	1	1	5	10	9	24	10	13	33	21	23	62
	Male	158	1	2	8	19	19	57	30	35	85	50	56	155
Total		212	2	3	13	29	28	81	40	48	118	71	79	165

T4.5.1

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Table 139: Financial Competency Development: Progress Report*

Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
<i>Accounting officer</i>	1	0	1	0
<i>Chief financial officer</i>	1	0	1	0
<i>Senior managers</i>	1	1	1	1
<i>Any other financial officials</i>				
Supply Chain Management Officials				
<i>Heads of supply chain management units</i>	1	0	1	0
<i>Supply chain management senior managers</i>	1	1	1	1
TOTAL	5	2	5	2

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Table 140: Skills Development Expenditure (R'000)

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development 2011/12							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Top management (level 0-2)	Female	1	0	1	0	1	0	1	0	1
	Male	1	1	1	1	1	1	1	1	1
Senior Management (level 3)	Female	5	2	5	2	5	2	5	2	5
	Male	1	0	1	0	1	0	1	0	1
Professionally qualified and experienced specialists (middle management) level 4-6	Female	1	1	1	1	1	1	1	1	1
	Male	5	2	5	2	5	2	5	2	5
Skilled, technical and academically qualified workers (7-10)	Female	1	0	1	0	1	0	1	0	1
	Male	1	1	1	1	1	1	1	1	1
Semi skilled - discretionary decision making (level 10-15)	Female	5	2	5	2	5	2	5	2	5
	Male	1	0	1	0	1	0	1	0	1
Unskilled and defined decision making (level 16-17)	Female	1	1	1	1	1	1	1	1	1
	Male	5	2	5	2	5	2	5	2	5
Sub total	Female	1	0	1	0	1	0	1	0	1
	Male	1	1	1	1	1	1	1	1	1
Total		5	2	5	2	5	2	5	2	5
%* and *R value of municipal salaries (original budget) allocated for workplace skills plan.									1.39%	R1 135 092

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Since the promulgation of the MFMA Competency Regulations eight officials on the senior management and middle management were given the opportunity to attend the CPMD training presented by Wits Business School. However, meantime five of the eight officials left the employ of Council for greener pastures. During the 2010/2011 financial two groups consisting of 21 officials (on senior management/management level) and six councillors started with MFMP training with the University of Pretoria. The costs of this year long training intervention are approximately R1.2 million, which is mostly being funded by the training vote. Evidently it will be observed that not a lot of funds are available to conduct any other form of training for officials in the other job categories. Presently only 0.05% of the personnel budget is being allocated for training and it is the intention to increase it to at least 1% of the personnel budget as per the SALGA guideline. The MFMP training will be concluded at the end of December 2012.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

Introduction

Vacant positions are not being filled for the sake of filling it. An assessment is firstly made to determine whether the filling of a position is necessary, essential, critical and also budgeted for. In some instances all the criteria is present, but then cash flow considerations can lead thereto that position(s) are not being filled. In determining the increase in the cost of the personnel budget, the National Treasury guideline is always followed of the % increase being allowed. The need to fill positions will always exceeds the available budget provisioning as the latter guideline and the matter of cash flow have a direct bearing on it.

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4.6 EMPLOYEE EXPENDITURE

Table 141: Workforce Expenditure (R'000)

Year	Total Workforce Expenditure	% of total budget
2007/2008	108 419 191.00	32.73%
2008/2009	108 794 939.00	27.24%
2009/2010	154 567 646.00	36.02%
2010/2011	147 951 040.00	27.01%
2011/2012	151 838 715.00	20.01%

Employee cost increased annually as determined by SALGA and approved by Council. The high increases are a result of the change in the total budgeted amount and the number of people employed by the municipality.

Table 142: Number of employees whose salaries were increased due to their positions being upgraded

Beneficiaries	Gender	Total
Senior management (level 0-2)	Female	0
	Male	0
Management (level 3)	Female	0
	Male	0
Professionally qualified and experienced specialists (middle management) level 4-6	Female	0
	Male	0
Skilled, technical and academically qualified workers (7-10)	Female	0
	Male	0
Semi skilled - discretionary decision making (level 10-15)	Female	0
	Male	0
Unskilled and defined decision making (level 16-17)	Female	0
	Male	0
Total		0

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Table 143: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2011/12)

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Accountant (Income)	1	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administration Officer (Land)	1	5 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrative Officer (Town Planning)	1	5 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator	2	5 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Cleansing)	1	8 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Credit Control)	2	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Engineering)	1	5 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Expenditure)	1	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Finance)	1	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Revenue)	1	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Stores)	1	6 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Administrator (Town Planning)	1	8 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Artisan (Electrician)	10	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Artisan (Mechanical)	3	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Artisan (Water and Sanitation)	3	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.

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Table 143: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2011/12)

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Artisan (Water)	2	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Assistant Accountant	1	6 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Building & Drainage Inspector	4	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Building Maintenance Attendant	1	17 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Cashier	2	9 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerical Asst/Typist	1	11 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk	3	8 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk	2	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Administration)	2	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Building Control)	1	9 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Expenditure)	2	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Licensing)	1	11 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Mechanical and Electrical)	1	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Revenue)	5	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Clerk (Supply Chain Management)	1	8 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Community Development Officer	1	8 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Control Room Operator	5	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.

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Table 143: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2011/12)

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Controller (Finance)	2	5 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Data Capture Clerk	2	13 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Disaster Management Officer	1	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Driver Operator	5	11 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Electrical Attendant	23	14 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Electrical Engineering Technician	1	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Engineering Technician	1	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Environmental Health Practitioner	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Examiner (Vehicle and Drivers Licences)	8	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Executive Secretary	1	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Executive Secretary	5	8 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Foreman (Roads and Storm Water)	2	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Assistant (Messenger)	1	14 PTH	T3	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Assistant (Parks, Recreation and Cemeteries)	20	16 PTH	T3	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Assistant (Stores)	3	17 PTH	T3	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Cleaner)	3	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Parks, Recreation and Cemeteries)	24	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.

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Table 143: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2011/12)

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
General Worker (Level 2) (Solid Waste)	79	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Traffic Enforcement)	2	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Water and Sanitation)	17	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level 2) (Water)	16	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level2)	18	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
General Worker (Level2) (Licensing and Testing)	1	17 PTH	T2	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Handyman (Building Maintenance)	1	10 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Horticulturist	3	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
HR Administration Officer	3	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Internal Audit Officer	2	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Internal Auditor	1	5 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Law Enforcement Officer	2	7 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Occupational Health and Safety Officer	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Office Assistant	1	10 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Office Attendant	2	15 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Planner (Electrical)	2	5 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Administration Officer	2	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.

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Table 143: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2011/12)

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Principal Clerk	1	9 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Committees)	2	6 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Debtors)	1	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Income)	1	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Libraries)	3	9 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Licensing)	3	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Principal Clerk (Supply Chain Management)	1	7 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Sanitation Attendant	1	14 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Secretary	1	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Administration Officer	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Artisan Assistant (Water Purification)	1	12 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Civil Engineering Technician	2	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Administration)	1	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Administration)	1	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Building Control)	1	7 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Credit Control)	2	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Expenditure)	1	7 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.

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Table 143: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2011/12)

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Senior Clerk (Finance)	1	7 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Licensing)	6	8 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Payroll)	1	7 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Clerk (Records)	2	11 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Environmental Health Officer	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Licensing Officer	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Senior Training Officer	1	4 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Storeman	1	9 PTH	T6	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Cleansing and Solid Waste)	1	5 PTH	T12	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Electrical)	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Law Enforcement)	1	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Mechanical and Electrical Services)	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Water and Sanitation)	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Superintendent (Water Purification)	1	5 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Supervisor Driver	1	10 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Supervisor Driver	2	12 PTH	T7	Post was previously graded on the VdM Grading system which is higher than the current Task system.

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Table 143: Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation (2011/12)

Occupation	Number of employees	Remuneration level	Job Evaluation level	Reason for deviation
Supply Chain Management Practitioner	1	4 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Team Leader	1	13 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Tourism Officer	1	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Town Planning Technician	1	6 PTH	T11	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Tractor Driver	1	13 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Traffic Officer	10	8 PTH	T9	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Typist	1	10 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Water Purification Attendant	1	14 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Word Processing Operator	2	10 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Word Processing Operator	1	10 PTH	T5	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Workshop Attendant	1	15 PTH	T4	Post was previously graded on the VdM Grading system which is higher than the current Task system.
Youth, Gender And Disability Officer	1	6 PTH	T10	Post was previously graded on the VdM Grading system which is higher than the current Task system.
				T4.6.3

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It should be noted that the Greater Tzaneen Municipality did not appoint any employee during 2011/12 in a position that did not exist on the organogram

Implementation of TASK Job Evaluation

With the purpose to bring uniformity to the Local Government Sector, as far as job evaluation, grading and wage/salary structures are concerned the TASK Job Evaluation Process was approved during August 2002. Greater Tzaneen Municipality already submitted its approved organogram, Council resolution and job descriptions as far way back as July 2005 to the then Regional Job Evaluation Committee at Polokwane for evaluation. It was evaluated and submitted to the National Moderation Committee (NMC) which on their part moderated the outcome and issued a Final Outcomes Report (FOR) dated 6 December 2007. This was the first FOR issued for the Limpopo Province. The Collective Agreement on TASK Job Evaluation for the Local Government Sector expired on 31 October 2009.

Due to many other problems that were experienced meantime, the matter of implementation dragged on until April 2010 when the national strike forced the parties back to the negotiation table which resulted in, inter alia, the Categorization and Job Evaluation Wage Curves Collective Agreement (called WACCA) which was signed on 21 April 2010. In terms of the categorization Greater Tzaneen Municipality was determined to be a grade 4 of 8 municipalities. As the equitable share income of the Municipality was omitted from the figures an appeal against the categorization was lodged on 7 June 2010 to the South African Local Government Bargaining Council (SALGBC). It is the submission that Greater Tzaneen should be at least a category 5 of 8 municipalities.

In respect of the WACCA agreement and due to the extent of the administrative exercise, it was decided to implement the FOR in three phases, namely:-

Phase 1: All new entrants as from 1 July 2010 were employed as per the WACCA salary structure.

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Phase 2: All those incumbents in positions eligible for the nine (9) months retrospective increases and back pay (to 1 October 2009) due to a favourable job evaluation outcome was given their benefits.

Phase 3: The “personal-to-holder” (PTH) group who was to be captured as such with only job title and job level changes.

Due to the differences in the two Job Evaluation Instruments, the changing over from one to the other has an enormous impact on all HR Systems, for example, Payroll, Organogram, Service Register, constitution of various committees, statistics, budgeting, etc. The HR Division cannot indefinitely run a dualistic system for obvious reasons.

The smooth implementation of the WACCA poses its own unique challenges which in a nut shell can be summarized as follows:

- The TASK Job Evaluation Agreement expired on 30 October 2009 – no mechanisms, for example, job evaluation committees, in place to maintain the job evaluation process.
- The lack of a capacitated OD Unit for Greater Tzaneen Municipality inhibits the sustainability of the job evaluation process locally.
- There is no Progression Agreement in place – no notch increases a challenge.
- Staff promoted without monetary gains – in terms of WACCA – leads to unhappiness.
- Wages/salaries not competitive re certain job levels and categories. It has become difficult to draw the right staff for service delivery and the retention of same.
- Some municipalities follow their own wage/salary structure which is far better than that of Greater Tzaneen Municipality resulting in the Municipality to lose competent and trained staff.
- Payment of “acting-in-higher” grade allowance for lower TASK salary scales is a challenge.
- Guidance on TASK matters from SALGA and SALGBC lacking which impedes on the smooth and uniform implementation of the tool.
- The pending outcome on the court case re 8.48% on top of WACCA wage/salary structure and lack of addressing the categorization appeals are also inhibiting factors for implementation. The latter case was meantime won by the unions, but it has been taken on appeal by SALGA.

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Unfortunately, the challenges with the implementation of the WACCA Agreement have become a huge bone of contention with organized labour locally. This eventually led to an unprotected strike by SAMWU on 13 and 14 June 2012 in which 169 and 131 members, respectively, partook.

In conclusion of the strike a Memorandum of Understanding (MOU) was signed with SAMWU for implementation by Council. (Resolution A32 of 22 June 2012).

This resolution in short revoked Resolution B39 of 24 August 2010 which approved the implementation of the WACCA Agreement and the usage of the TASK Job Evaluation System in lieu of the previous van der Merwe System. A benchmarking exercise through Versatex Trading 505 Pty.Ltd – an external Service Provider – was also embarked upon. Three municipalities will be selected for benchmarking in the same category (4 of 8) and with similar revenue collection to assure sustainability and affordability. The outcome of such exercise will be implemented from 1 July 2012, retrospectively. In the meantime the TASK Job Evaluation Policy Guidelines are being prepared by SALGA for implementation during the 2012/2013 financial year.

Disclosures of financial interests

All staff and councillors are annually requested during June of the preceding year to made disclosures of financial interests. The onus to disclose rests on each and every individual and non-disclosure can result in steps being taken against such individual in terms of the Codes of Good Conduct for Officials as well as for Councillors. The following disclosures were made by officials and councillors for the 2011/2012 financial year (see Table 141):

Table 144 : Financial Interests declared 2011/12			
	Position	Name	Description of Financial Interest
1	Manager (HR)	Marthinus Pieter Smit Visser	Branch Treasurer of IMPSA – Receive Honorarium Member Board of Trustees - JMPF
2	Municipal Manager	Thabitha Constance Mametja	Director Famate Business Solutions – 49% shares Director River Lodge – 49% shares
3	Traffic Officer	Seabela Mathews Modjela	Universal Vision Travel CC - Member
4	HR Assistant	Ntebatse Maggy Helen Ramoshaba	Ukinika Ithuba Holdings - Member
5	Manager (Communication)	Thulani Cycil Twala	Ndzalama Environmental Management - Member

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Table 144 : Financial Interests declared 2011/12			
	Position	Name	Description of Financial Interest
	& Marketing)		
6	Snr Clerk	Lizl Le Grange	Heeltevree Trust – Renting of property & tractors/slashers, etc
7	Chief Financial Officer	Andre Jean Jacques Le Grange	Paradise Toad Investments 155 25% share in game farm – Member Heeltevree Trust
8	Manager Environmental Health	Tsanwani Maggy Matchumele	Vutivi Casa Linda cc- member Nhlalala CE member Owner Itina Guest House
9	Director (PED)	Faith Tebogo Mashianoke	Sasol Shares – Clothing Shop
10	Director (Community Services)	Obby Zophania Mkhombo	Mkhombo Investments – Property Development Mkhombo Family Trust
11	Manager (O&M)	Motswatwe Samuel Lelope	Ditlou Tubatse Trading Enterprise – Member Makhukho Electrical and Multi projects - Member
12	Manager (Projects)	Nico George Fourie	Baread 523 MS Owner
13	OHS Officer	Raesibe Granny Matsaung	Lapologa Guest House - Owner
14	Testing Officer	Victoria Tsakani Graham	Vickzol Trading Services cc – Member
15	Manager (Revenue)	Petronella Maria Viljoen	Sanlam Annuity
16	Assistant Accountant	Merle Alice Pochop	Sanlam Annuity
17	Manager (Legal Services)	Nkopodi Phatudi	Bidbay Trading (Clothing)
18	Librarian	Matuma Evelyn Ouma Modipane	Owner - CC
Councillors			
1	Councillor	Dikeledi Josephine Mmetle	Investment of Dept of Health plus pension from Dept of Agriculture
2	Councillor	Anna Elizabeth Jansen van Vuuren	Nothing to declare
3	Councillor	Masape Margaret Makwala	Nothing to declare
4	Councillor	Nawako Abram Masila	Nothing to declare
5	Councillor	Cassuis Machimana	GEPF
6	Councillor	Rene Edua Pohl	Nothing to declare
7	Councillor	Nwa-Gwa Mildred Risaba	Nothing to declare
8	Councillor	Thabiso Lea Matita	Maitinelo Investment - Member
9	Councillor	Nkhensani Roniel Rikhotso	Nothing to declare
10	Councillor	Mkateko Fortunate Mbhalati	Nothing to declare

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CHAPTER 5 – FINANCIAL PERFORMANCE

Introduction

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

Inflationary pressures will be curbing through expenditure management and the increase in payment levels care will be taken to ensure that expenditure are kept within the actual income received and not the budget income

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

Introduction to financial statements

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality. The Statements of Revenue Collection Performance by vote and by source are included at **Addendum K**.

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Table 145: Financial Summary 2011/12 (R'000)

Description	2010/2011	Current year 2011/12			2011/12 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	47 939	34 822	34 822	58 835	-24 013	-24 013
Service charges	266 937	337 844	337 844	329 306	8 538	8 538
Investment revenue	2 308	51	51	5 160	-5 109	-5 109
Transfers recognised - operational	148 658	194 759	194 126	180 687	14 072	13 439
Other own revenue	32 413	66 486	66 486	49 940	16 546	16 546
Total Revenue (excluding Capital transfers & contributions)	498 255	633 962	633 329	623 928	10 034	9 401
Employee costs	91 436	90 607	90 607	97 737	-7 130	-7 130
Remuneration of councillors	15 228	17 034	17 034	16 655	379	379
Depreciation & asset impairment	96 765	94 704	94 704	196 819	-102 115	-102 115
Finance charges	7 784	16 723	15 723	12 767	3 956	2 956
Materials and bulk purchases	176 451	206 912	206 912	204 803	2 109	2 109
Transfers and grants	29 898	30 852	30 219	24 561	6 291	5 658
Other expenditure	189 969	218 917	219 917	186 832	32 085	33 085
Total Expenditure	607 531	675 749	675 116	740 174	-64 425	-65 058
Surplus/(Deficit)	-109 276	-41 787	-41 787	-138 012	96 225	96 225
Transfers recognised - capital	45 003	49 376	49 376	27 610	21 766	21 766
Contributions recognised - capital & contributed assets						
Surplus/(Deficit) after capital transfers & contributions	-64 273	7 590	7 590	-88 626	96 216	96 216
Share of surplus/ (deficit) of associate						
Surplus/(Deficit) for the year	-64 273	7 590	7 590	-88 626	96 216	96 216
Capital expenditure & funds sources						
Capital expenditure	94 017	118 376	118 376	111 074	7 302	7 302
Transfers recognised - capital	60 343	49 376	49 376	27 610	21 766	21 766
Public contributions and donations	-	-	-	-		
Borrowing	33 674	50 000	50 000	69 999	-19 999	-19 999

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Table 145: Financial Summary 2011/12 (R'000)

Description	2010/2011	Current year 2011/12			2011/12 Variance to actual	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Internally generated funds	-	19 000	19 000	13 465	5 535	5 535
Total sources of capital funds	94 017	118 376	118 376	111 074	7 302	7 302
<u>Financial position</u>						
Total current assets	164 621	118 400	118 400	220 753	-102 353	-102 353
Total noncurrent assets	1 786 685	1 596 537	1 596 537	1 793 779	-197 242	-197 242
Total current liabilities	134 154	130 878	130 878	187 612	-56 734	-56 734
Total noncurrent liabilities	160 516	167 423	167 423	199 030	-31 607	-31 607
Community wealth/Equity	1 656 635	1 416 636	1 416 636	1 627 890	-211 254	-211 254
<u>Cash flows</u>						
Net cash from (used) operating	18 405	114 130	114 130	27 851	86 279	86 279
Net cash from (used) investing	-65 133	-104 034	-104 034	-42 435	-61 599	-61 599
Net cash from (used) financing	73 086	-3 633	-3 633	42 664	-46 297	-46 297
Cash/cash equivalents at year end	22 197	7 462	7 462	50 278	-42 816	-42 816
<u>Cash backing/surplus reconciliation</u>						
Cash and investments available	42 881	22 900	22 900	73 955	-51 055	-51 055
Application of cash and investments	-7 302	24 720	24 720	10 886	13 834	13 834
Balance - surplus (shortfall)	50 183	-1 820	-1 820	63 069	-64 889	-64 889
<u>Asset management</u>						
Asset register summary (WDV)	1 766 002	1 575 137	1 575 137	1 770 105	-194 968	-194 968
Depreciation and asset impairment	96 765	94 704	94 704	196 819	-102 115	-102 115
Renewal of Existing Assets	41 393	12 570	12 570	12 049	521	521
Repairs and Maintenance	100 982	96 174	96 174	90 714	5 460	5 460
<u>Free services</u>						
Cost of Free Basic Services provided	7	5	4			
Revenue cost of free services provided	1	5	14			

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Table 146: Financial Performance of Operational Services (R'000)

Description	2010/11	2011/12			2011/12	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	n/a					
Waste Water (Sanitation)	n/a					
Electricity	271 825	293 528	293 471	298 027	(4 500)	(4 557)
Waste Management	41 246	43 376	42 287	34 061	9 315	8 226
Housing	10 338	11 122	11 122	10 119	1 003	1 003
Component A: sub-total	323 410	348 025	346 880	342 207	5 818	4 673
Waste Water (Stormwater Drainage)					–	–
Roads	105 318	101 436	101 443	96 881	4 555	4 562
Transport	9 448	36 140	36 140	10 853	25 288	25 288
Component B: sub-total	114 766	137 577	137 583	107 734	29 843	29 849
Planning	2 679	4 271	4 271	3 383	887	887
Local Economic Development	10 688	24 315	22 315	13 354	10 961	8 961
Component B: sub-total	13 366	28 586	26 586	16 737	11 849	9 849
Executive and Council	23 352	25 504	25 010	23 709	1 795	1 301
Budget and Treasury office	43 462	48 329	47 329	55 137	(6 807)	(7 807)
Corporate services	41 470	36 191	40 191	151 759	(115 568)	(111 568)
Component C: sub-total	108 284	110 025	112 530	230 605	(120 580)	(118 074)
Community & Social Services	3 258	4 461	4 461	3 376	1 085	1 085
Environmental Protection					–	–
Health	4 929	5 092	5 092	4 203	888	888
Public Safety	21 288	22 321	22 321	18 952	3 369	3 369
Sport and Recreation	14 884	16 696	16 696	13 583	3 113	3 113
Waste water	3 346	2 966	2 966	2 776	190	190
Component D: sub-total	47 705	51 537	51 537	42 891	8 645	8 645
Total Expenditure	607 531	675 749	675 116	740 174	(64 425)	(65 058)

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5.2 GRANTS

Table 147: Grant Performance 2010/11 (R'000)						
Description	2010/2011	2011/2012			2011/12 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:						
Equitable share	141 861	176 384	176 384	167 203	-5%	-5%
Municipal Systems Improvement	899	790	790	690	-13%	-13%
Department of Water Affairs						
Levy replacement						
Finance Management	1017	1250	1250	1250	0%	0%
Provincial Government:						
Health subsidy						
Housing						
Ambulance subsidy						
Sports and Recreation						
Seta	54	0	0	272	100%	100%
District Municipality:						
<i>[insert description]</i>						
Other grant providers:						
<i>Community Based Project</i>	457	0	0	57	100%	100%
Total Operating Transfers and Grants	144 288	178 424	178 424	169 472	-5%	-5%

No grants were received from other sources during the 2011/2012 financial year.

The under spending of the Equitable Share Grant is as result of a reduction in the registration of indigents during the 2011/12 financial year. The under spending of the MSIG is as a result of Training of ward committee members which did not take place during the 2011/2012 financial year. A rollover application for the unspent amount was submitted to National Treasury and an approval was granted during October 2012. The total allocation for FMG (Finance Management Grant) was fully spent during the year under review.

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SETA- The Grant is only received once the expenditure has been incurred. As a result no could be allocated for such grant

Table 148: Conditional Grants: excluding MIG (R'000) - 2011/12

Details	Budget	Adjustments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustments Budget	
Neighbourhood Development Partnership Grant	14 000	12 000	6 240	55.4%	48%	Programmes are aligned to municipal Integrated Development Plans (IDPs), and there is council resolution supporting the award and/or programme to be implemented
Finance Management Grant	5 000	5 000	6 495	-29%	-29%	Establishment of a Budget and Treasury Office (BTO) with positions filled by appropriately qualified personnel and appointment of at least five interns over a multi-year period
Municipal Systems Improvement	790	790	790	0%	0%	Municipalities must adhere to the local government turnaround strategy
National Electrification(INEP) & Neighbourhood	5 000	5 000	5 000	0%	0%	Municipalities to comply with requirements to provide approved bulk project in their business plans
Total	21 040	19 040	19 040	-9.5%	0%	

GTM applied for MIG and NDPG during the 2011/12 financial year.

MIG:

MIG enables the municipality to ensure that the community receives the basic level of services by funding capital projects. With the introduction of the MIG, the use of labour intensive methods for certain types of infrastructure has been made mandatory. This in line with the Expanded Public Works Programme (EPWP), assist to maximize job creation through government expenditure and therefore helps with alleviating unemployment rate and poverty. MIG is only funding up to a basic level of service. If a municipality chooses to provide a higher level of service the municipality must provide counter funding for the difference in cost between a basic level of service and the higher

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level of service opted for. Municipalities are responsible for making the final decision about the level of service to be provided. Job opportunities created through the implementation of MIG: Ramotshinyadi to Mokgwathi road were 25 and Sasekani to Nkowankowa road were 22.

NDPG:

The Neighbourhood Development Partnership Development Grant (NDPG) Programme, a multi billion rand programme, which was announced in 2006 by the Minister of Finance, made an award to Nkowankowa Township Greater Tzaneen Municipality (GTM) focusing on economic development as well as social upliftment. The NDPG Programme formally kicked off in 2008 and the comprehensive business plan containing the following projects was approved in 2010 valued at R77 million. The approval of the business plan allowed detailed planning, which was followed by the procurement process took place. After an exhaustive consultation process in partnership with the Nkowankowa Councillors and the GTM's Public Participation Department, in the Speaker's Office, the following three projects were undertaken:

- **Community Parks** (completed in June 2012) – which has created safe outdoor recreation spaces, that not only have benches, braai areas and play apparatus; they also incorporated traditional games for all members of the community especially the youth.
- **The Rural Broadband Connectivity** (completed in December 2012) – this project entailed the connection of remote Municipal client service and multi-purpose centres to the main municipal offices in Tzaneen; thus connecting the following sites wirelessly: Rhelela, Runnymede, Homan Tower, Lenyenye, Letsitele, Ritavi, Nkowankowa Traffic, Bulamahlo and GTM HQ offices. This project had two phases:
 - Phase1: GTM Remote multi-purpose centres broadband connection, and
 - Phase 2: GTM Local multi-purpose centres broadband connection and wholesale Internet & government database connectivity.

The completion of this project meant that Municipal client service and multi-purpose centres were for the first time connected to GTM head office in Tzaneen remotely and that administrative business can now be completed with officials not having to either travel from these GTM client service sites and multi-purpose centres or Tzaneen to complete the administrative task at hand.

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•Nkowankowa East Integrated Development Initiative: Ring Road project component -

Although the planning and the design of the Ring Road Project was completed in August 2011 and the tender was advertised in December 2011; administrative challenges with the GTM meant that the tender was re-advertised in September 2012 and finally award in December 2012. This ring road is 2.55km long and will provide a safe internal road for the community of Nkowankowa section C, a connection to section B, provide a mini taxi rank, street lights (for increased safety at night), and new Municipal offices that will bring a permanent local site for public services to the community in this section. It is anticipated that this project will be complete in September 2013.

5.3 ASSET MANAGEMENT

Greater Tzaneen municipality has an approved Asset Management Policy which is fully aligned with GRAP 17. All assets are reflected in Greater Tzaneen Municipality's Asset Register which is unbundled to the lowest possible level. Each item on the asset register is depreciated over its useful life. Assets are verified annually and it is during this verification that the conditions of such assets are determined. Thereafter the useful lives of assets are adjusted where necessary. The finance department does the administration of the asset register and the co-ordination of the asset verification process. This includes accounting for the assets in the financial statements. The responsibility to manage and control Council Assets remains the responsibility of Directors. During the period under review Greater Tzaneen Municipality employed the expertise of Deloitte to assist with the unbundling of assets. The changes hereto led to an increase in the total value of the municipal assets.

Table 149: Treatment of the three largest assets acquired 2011/12

Asset 1	
Name	Letsitele Main Sub Replacement Project 17/10
Description	Electrical Infrastructure
Asset Type	Infrastructure
Key Staff Involved	Manager Rural and Town: Electrical Engineering
Staff Responsibilities	Supervising and Monitoring

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Table 149: Treatment of the three largest assets acquired 2011/12

	2008/2009	2009/2010	2010/2011	2011/2012
Asset Value	0	0	1 979 324	4 045 395
Capital Implications	Replacement of old transformers from 2*5MVA by 2*10MVA			
Future Purpose of Asset	Increase available capacity to rural network			
Describe Key Issues	To increase the capacity available to the Letsitele community by 2 MVA since the system was running at full capacity.			
Policies in Place to Manage Asset	Electrical Master plan in place to manage the asset			
Asset 2				
Name	Speed Humps			
Description	Roads			
Asset Type	Fixed			
Key Staff Involved	Manager Roads and Storm water, Director Engineering Services			
Staff Responsibilities	Supervising and Monitoring			
	2008/2009	2009/2010	2010/2011	2011/2012
Asset Value	0	0	0	1 928 104
Capital Implications				
Future Purpose of Asset	This will result in a traffic calming system			
Describe Key Issues	The road will be safe to use by residents			
Policies in Place to Manage Asset	Approved yearly maintenance budget			
Asset 3				
Name	Rebuilding of Lines Rapids 11kv 12.5 km			
Description	Electrical Infrastructure			
Asset Type	Infrastructure			
Key Staff Involved	Manager Electrical Services: Rural			
Staff Responsibilities	Ongoing maintenance			
	2008/2009	2009/2010	2010/2011	2011/2012
Asset Value	0	0	0	1 839 162
Capital Implications	Replacement of rundown electrical network			
Future Purpose of Asset	Increase in the lifespan of the network			
Describe Key Issues	Replace redundant overhead lines in the rural areas to avoid outages			

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Table 149: Treatment of the three largest assets acquired 2011/12

Policies in Place to Manage Asset	Approved yearly maintenance budget
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The replacement of Letsitele main Sub and Transformers as well as the rebuilding of lines have a positive effect on revenue generation seeing that electricity will be distributed for sale, the speed humps contributes towards a safe environment but not to revenue generation.

Table 150: Repair and Maintenance Expenditure (R'000)

Year	Original Budget	Adjustment Budget	Actual	Budget variance
2010/11	79 493	94 493	100 982	R -6 489
2011/12	96 174	96 174	90 714	R 5 460

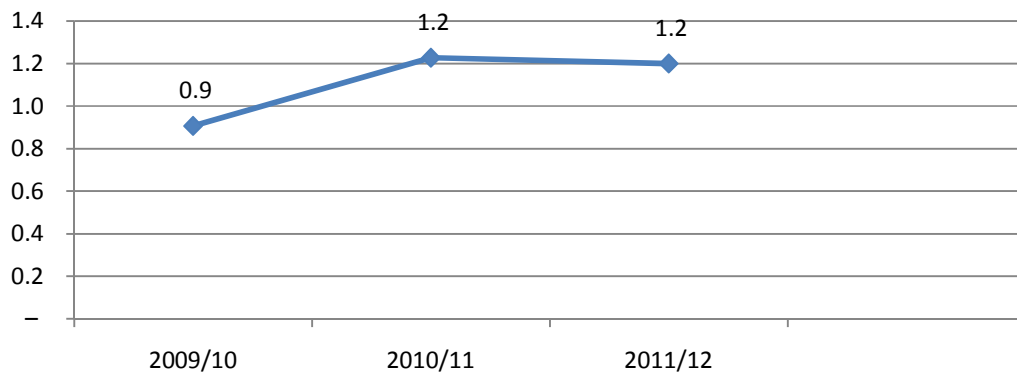
The actual expenditure on repairs and maintenance represents 12,3% of the total expenditure which is close to the national norm of 13%. The 6% under spending can be attributed to small deviations which include inter-alia the under spending on the following:

- Stormwater Drainage and Bridges R974 233
- Councils Owned Vehicles R924 185
- Councils Owned Land R547 006

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

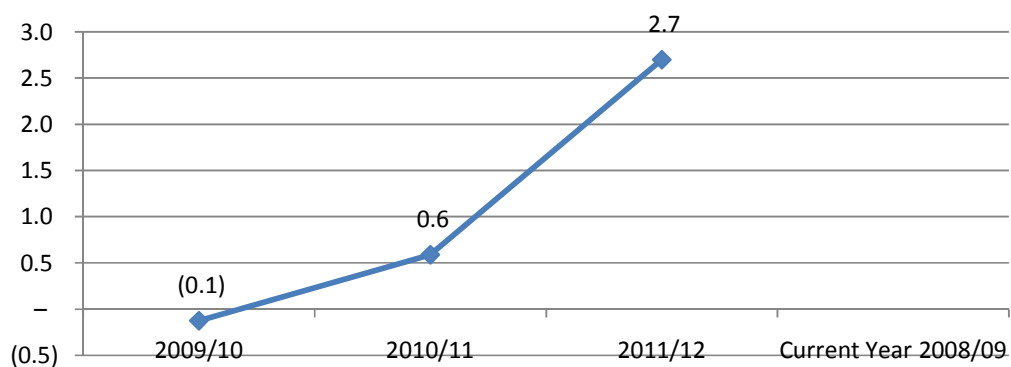
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Figure 7: Liquidity Current Ratio 2009/10-2011/12



The liquidity ratio, as demonstrated for GTM in the figure above, Measures the municipality's ability to pay its bills and is calculated by dividing the monetary assets by the municipality's current liabilities. A higher ratio is better. Greater Tzaneen Municipality has a positive liquidity ratio which indicates that Council is financial viable.

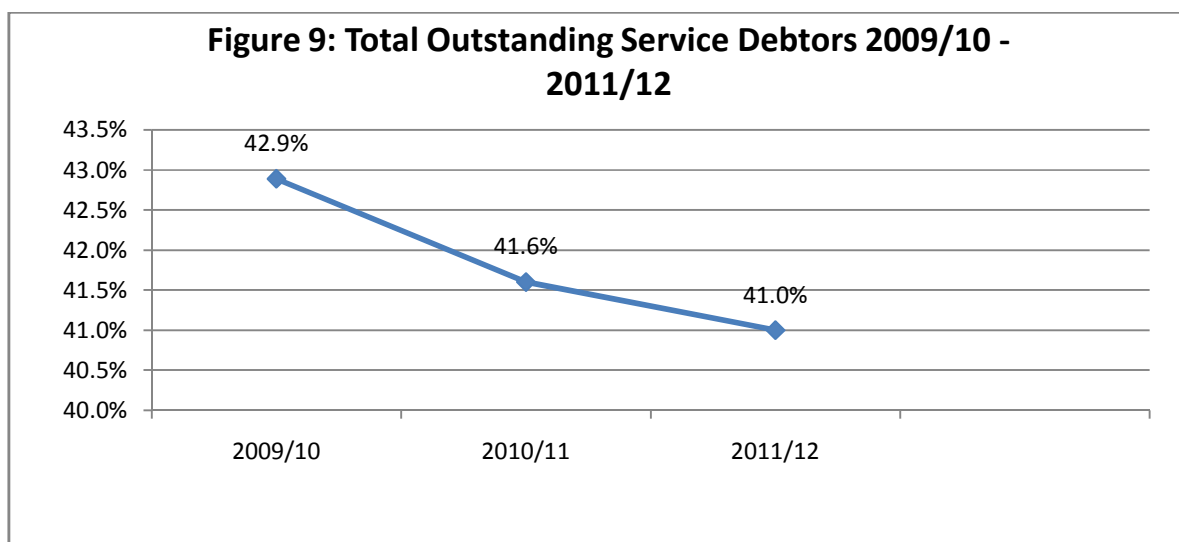
Figure 8: Cost Coverage 2009/10 - 2011/12



The Cost Coverage, as demonstrated for GTM in the figure above, explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality

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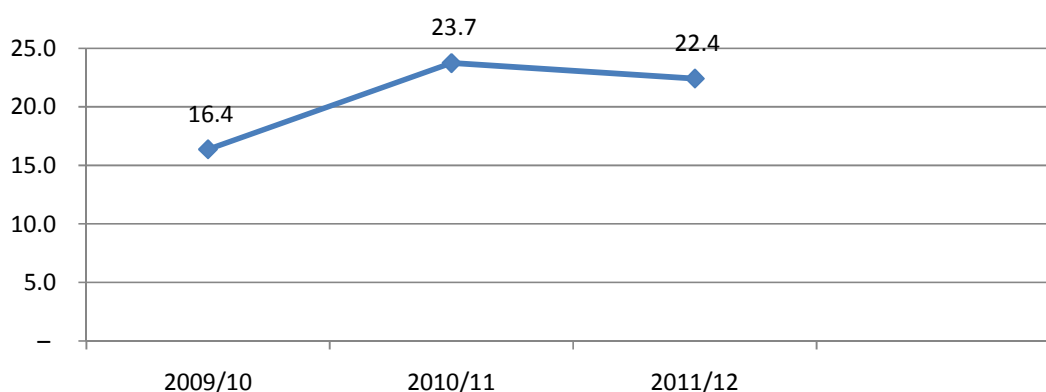
excluding utilisation of grants. This graph indicates that Greater Tzaneen Municipalities fixed monthly operational costs are covered by available cash and investments.



The outstanding service debtors, as expressed for GTM in the figure above, measure how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better. It is evident from this graph that 14% of services billed are not recovered on time.

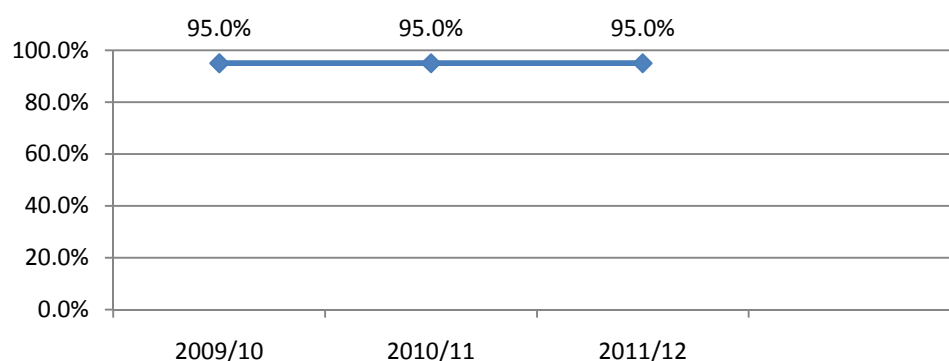
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Figure 10: Debt Coverage 2009/10 - 2011/2012



Debt coverage, as expressed for GTM in the figure above, is the number of times debt payments can be accommodated within Operating revenue (excluding grants). This in turn represents the ease with which payments can be accommodated by the municipality. The current operating revenue of Greater Tzaneen municipality covers all payments due for debt services within 22 days.

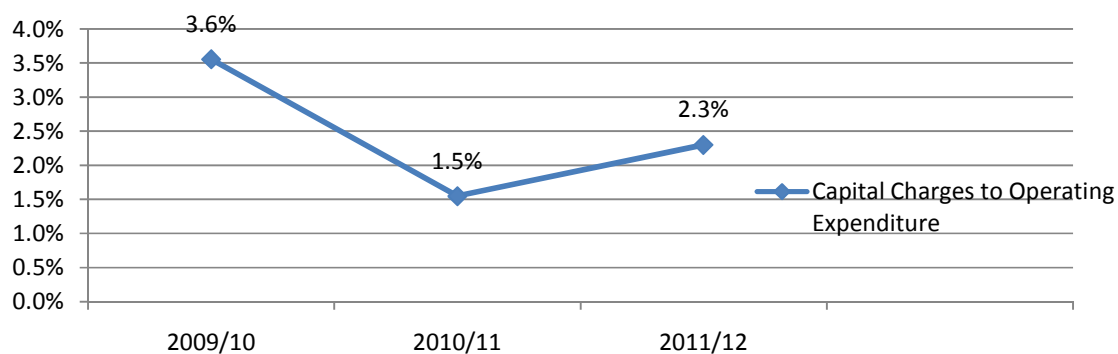
Figure 11: Creditors System Efficiency 2009/10 - 2011/12



The Creditor System Efficiency, as demonstrated for GTM in the figure above, is the proportion of creditors paid within terms (30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases. The fact that 95% of Councils creditors are paid within 30 days is proof that good expenditure management is exercised.

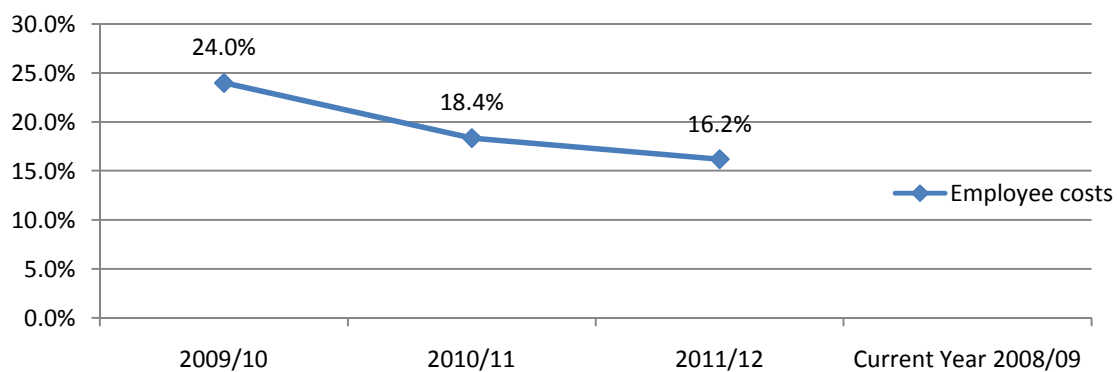
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Figure 12: Capital Charges to Operating Expenditure, 2009/10 - 2011/12



The capital charges to operating expenditure ratio are calculated by dividing the sum of capital interest and principle by the total operating expenditure. This graph represents the percentage expenditure spent on the repayment of loans against total expenditure. The amount of only R12,7 million was spent on the re-payment of loans compared to the total expenditure of R740 million.

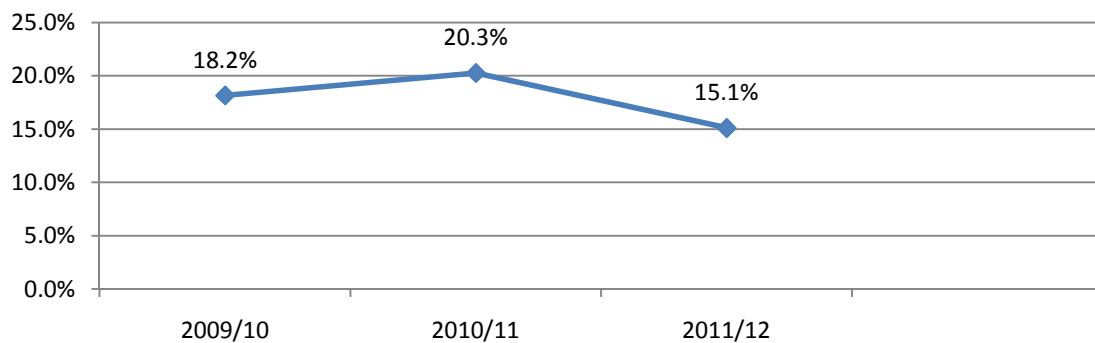
Figure 13: Employee Costs, 2009/10 - 2011/12



Employee costs, as expressed for GTM in the figure above, measures what proportion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between the total revenue and capital revenue. The employee cost ratio of Greater Tzaneen Municipality is well within the acceptable ratio of 35% of the total expenditure.

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Figure 14: Repairs & Maintenance, 2009/10 - 2011/12



The repairs and maintenance ratio, as demonstrated for GTM in the figure above, represents the proportion of operating expenditure spent on repairs and maintenance. The ratio of 15,1% is well above the target of 13% which is an indication that Council assets have been maintained adequately during the financial year under review.

Greater Tzaneen Municipality closed the 2011/2012 financial year with a positive cash book balance of R50 million. The conditional grants allocated to Greater Tzaneen Municipality amounted to R39 million which confirms a cash surplus of R11 million. The surplus is confirmation of the sound financial position Greater Tzaneen Municipality finds itself in. The Liquidity ratio also confirms a liquidity ratio of 1,2 while the cost coverage confirms that the expenditure of Greater Tzaneen Municipality is covered for 2,7 months, and the employee cost confirms that the workforce cost is well within the acceptable norm.

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COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates to the investment in major initiatives, the benefit of which is going to last for more than one financial year. Section 19 of the MFMA determines that a Municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget. It also determines that the total cost of the project must be approved by Council and that the sources of funding for the project are available and has not been committed for other purposes. The five largest projects can be summarized as follows:

- Ramotshinyadi to Mokgwathi road
- Sasekani to Nkowankowa road
- Electricity network
- Upgrading Tzaneen Town Electricity network including cables
- Senakwe to Maropalala road

These projects contribute 41.5% of the total capital expenditure for the year

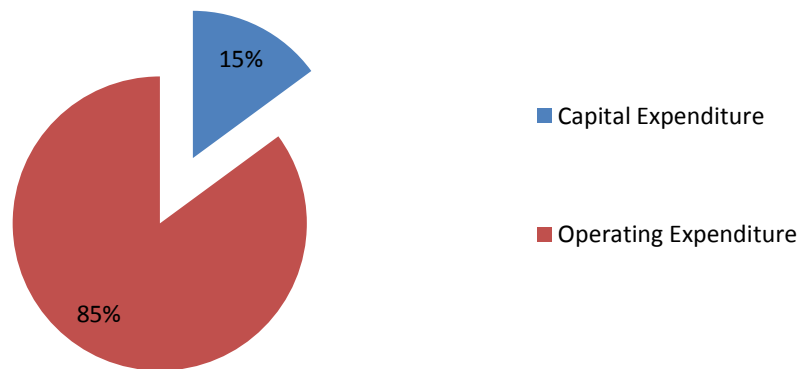
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5.5 CAPITAL EXPENDITURE

Table 151: Capital Expenditure 2011/12

	% of Expenditure Budget	Original Budget	Adjustment Budget	Un-audited Full Year Total
Capital Expenditure	14.92%	118	118	111
Operating Expenditure	85.08%	676	675	740
Total expenditure		794	793	851

Figure 15: % of Expenditure Budget 2011/12



5.6 SOURCES OF FINANCE

The Capital budget of R118 million was financed as follows:

- Own sources R19 Million
 - Loans R50 Million
 - Grants R49 Million
- Total: R118 Million**

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An amount of R111 million was spent on capital projects and a request for the roll-over of capital projects that have not been finalized during the 2011/2012 financial year has been submitted to National Treasury. The funding of the operational budget can be summarized as follows:

Rates and Service Charges	R370 Million
Grants and subsidies	R244 Million
Sundry Income	R 70 Million
Budgeted Revenue	R684 Million

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Table 152: Capital Expenditure - Funding Sources 2010/11 - 2011/12 (R'000)

Details		2010/2011	2011/12				
		Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance							
	External loans	33 674	50 000	50 000	69 999	-0%	-39.98%
	Public contributions and donations						
	Grants and subsidies	60 343	49 376	49 376	27 610	0%	44.08%
	Other		19 000	19 000	13 465	0%	29.13%
Total		94 017	118 376	118 376	111 074	0%	6.17%
Percentage of finance							
	External loans	35.8%	42.2%	42.2%	63.0%	32.98%	32.98%
	Public contributions and donations	0.0%	0.0%	0.0%	0.0%		
	Grants and subsidies	64.2%	41.7%	41.7%	24.9%	-67.80%	-67.80%
	Other	0.0%	16.1%	16.1%	12.1%	-32.40%	-32.40%
Capital expenditure							
	Water and sanitation						
	Electricity	32 194	31 500	31 500	51 921	0%	64.83%
	Housing	129					
	Roads and storm water	26 259	83 876	83 876	29 548	0%	64.77%
	Other	35 436	3 000	3 000	29 604	0%	-886.8%
Total		94 017	118 376	118 376	111 074	0%	6.19%
Percentage of expenditure							
	Water and sanitation	0.0%	0.0%	0.0%	0.0%		
	Electricity	34.2%	26.6%	26.6%	46.7%	43.07%	43.07%
	Housing	0.1%	0.0%	0.0%	0.0%		
	Roads and storm water	27.9%	70.9%	70.9%	26.6%	-166.35%	-166.35%
	Other	37.7%	2.5%	2.5%	26.7%	90.49%	90.49%

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5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Table 153: Capital Expenditure of 5 largest projects*(R'000) 2011/12

Name of Project	Current Year			Variance Current Year	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A-Ramotshinyadi, Miragoma & Mokgwathi	52,721	52,721	13,708	73.99%	73.99%
B-Senakwe-Morapalala	36,285	36,825	2,438	93.28%	93.28%
B-Sasekani-Nkowankowa	33,224	33,224	5,225	84.27%	84.27%
D-Capacity Project	32,716	32,716	30,464	6.88%	6.88%
E-Rehabilitation of Internal Claude Wheatley	9,168	9,168	1,153	87.42%	87.42%

Project details below:

A - Ramotshinyadi, Miragoma & Mokgwathi

Objective of Project	To eradicate high maintenance of gravel roads by tarring roads.
Delays	Court Interdict
Future Challenges	Small Maintenance Budget
Anticipated citizen benefits	Easy access to and from work during rainy seasons

B - Senakwe-Morapalala

Objective of Project	To eradicate backlogs of gravel roads
Delays	Appointment of the contractor
Future Challenges	Small maintenance budget
Anticipated citizen benefits	Easy access to business areas

C - Sasekani-Nkowankowa

Objective of Project	To eradicate high maintenance of gravel roads by tarring roads.
Delays	No delays are anticipated, the project will be completed on time
Future Challenges	Maintenance budget is required
Anticipated citizen benefits	Improved accessibility of the area

D - Capacity Project

Objective of Project	To increase available electrical capacity to town by 40 MVA
Delays	Contractor inexperience, Material Delivery and weather
Future Challenges	Require further R50 million to complete phase 2 of capacity project

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Anticipated citizen benefits	Moratorium on development has been lifted.
E: Rehabilitation of Internal Claude Wheatley	
Objective of Project	Extension of the lifespan of the road for the next 20 years
Delays	Court Interdict
Future Challenges	Maintenance Budget
Anticipated citizen benefits	Easy access in and around town and easy access to the taxi rank

It is vital to implement capital projects in time to avoid budget adjustment and variances. We've learnt that all relevant municipal departments do not participate in implementation of capital projects and this has a negative effect on project implementation in time and budget.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

The current demand for infrastructure exceeds Councils ability to fund the required R400 million costs (electricity network alone) to renew and upgrade infrastructure. Various funding solutions are being sought.

Table 154: Service Backlogs as at 30 June 2012

	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	53775	64.25%	45342	45.75%
Sanitation	72367	73.01%	26750	26.99%
Electricity	13780	15%	13780	15%
Waste management	10775	12.44%	88342	87.56%
Housing	86527	87.3	12590	12.7%

Table 155: Municipal Infrastructure Grant (MIG)* Expenditure 2011/12 on Service backlogs (R'000)

Details	Budget	Adjustment Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjustment Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>	44 363 643	44 363 643	3 253 657	41 109 986	41 109 986	See below
Total	44 363 643	44 363 643	3 253 657	41 109 986	41 109 986	

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The conditions for MIG are that we must submit a signed activity plan in the prescribed format with detailed budgets and timeframes for the implementation of prioritised measurable outputs. Municipalities must adhere to the local government turnaround strategy and the funds may only be utilised for the implementation of capital projects.

In order to eradicate backlogs on roads that exist in the vast rural area of GTM MIG is of enormous value to bridge the gap in terms of available capital funds. GTM does not generate revenue directly from rural areas and the efforts to provide decent roads in rural areas would not be sufficient limited to the existing budget (without grant support). The MIG funding has been utilised to improve road infrastructure such as internal streets in villages with Council providing counter funding to ensure that sustainable roads are built. The backlogs in terms of electricity are however not in the service area of GTM and therefore MIG funding cannot be accessed for this. MIG was also sourced to assist in the provision of solid waste collection infrastructure in rural areas. However, it must be noted that this infrastructure needs funding to become operational, which Council currently do not have. A means of generating some income from rural areas to supplement the Equitable Share will have to be identified to ensure the sustainability of this infrastructure.

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COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

In the environment that Greater Tzaneen Municipality is operating in cash flow management is important to ensure that funds are available when needed to pay for services that all money owed to the municipality are recovered. It also provides information with regard to access fund which are invested to increase councils revenue through interest.

5.9 CASH FLOW

Table 156: Cash Flow Outcomes (R'000)				
Description	2010/2011	2011/2012		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	330 545	434 939	434 939	412 213
Government - operating	148 657	194 759	194 759	180 687
Government - capital	45 004	49 376	49 376	27 610
Interest	16 370	14 736	14 736	19 103
Dividends				
Payments				
Suppliers and employees	(484 490)	(532 106)	(532 106)	(574 435)
Finance charges	(7 784)	(16 723)	(16 723)	(12 767)
Transfers and Grants	(29 898)	(30 852)	(30 852)	(24 561)
NET CASH FROM/(USED) OPERATING ACTIVITIES	18 404	114 129	114 129	27 850
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments	(2 755)	(1 600)	(1 600)	(2 995)
Payments				
Capital assets	(62 378)	(102 434)	(102 434)	(39 441)
NET CASH FROM/(USED) INVESTING ACTIVITIES	-65 133	-104 034	-104 034	-42 436

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Table 156: Cash Flow Outcomes (R'000)				
Description	2010/2011	2011/2012		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans				
Borrowing long term/refinancing	69 790	-4 133	-4 133	40 283
Increase (decrease) in consumer deposits	4 916	500	500	6 979
Payments				
Repayment of borrowing	-1 620			-4 598
NET CASH FROM/(USED) FINANCING ACTIVITIES	73 086	-3 633	-3 633	42 664
NET INCREASE/ (DECREASE) IN CASH HELD	26 357	6 462	6 462	28 078
Cash/cash equivalents at the year begin:	-4 159	1 000	1 000	22 198
Cash/cash equivalents at the yearend:	22 198	7 462	7 462	50 276

It is evident from **Table 156** above that Councils cash flow status has increased from R22 million at the beginning of the year under review to R50 million at the end of the year. The increase in Councils cash position can be attributed to good financial management.

5.10 BORROWING AND INVESTMENTS

Borrowings

Section 18 of the MFMA determines, inter alia, that a Municipality may make use of borrowed funds, but only to finance capital expenditure. External borrowing therefore represents capital funds. It must, however, be emphasised that although external borrowing represents capital funds it has a negative effect on the operational budget in the form of interest and depreciation. The result of this is less funds available for maintenance and general administration costs. The current outstanding external loans of Greater Tzaneen Municipality amount to R151million.

Investments

Adequate provision has been made by way of external investments to ensure that cash is available on the maturity date of external sinking fund loans. Investment income on the other hand is utilised to

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fund the operational budget. Details of the investments of Greater Tzaneen Municipality are disclosed. Valuation of unlisted Investments is as follows:

- Liberty R 3 786 347
- BOE (Sinking fund) R 19 890 828

Excelsior 1000 Investment

An investment of R855 619 has been made with Liberty to repay a loan of R15 million on maturity date. The loan bears interest on variable rate and the value of the investment amounts to R 3 786 347.

Sinking Fund: ABSA

An investment of R6 982 292 has been made with BOE to repay a loan of R20 000 000 on maturity date. The loan bears interest on a variable rate and the value of the investment amounts to R19 890 828

Table 157: Actual Borrowings 2008/09-2010/11 (R'000)				
Instrument	2008/2009	2009/2010	2010/2011	2011/2012
<u>Municipality</u>				
Long-Term Loans (annuity/reducing balance)	23 279	21 450	89 620	125 304
Long-Term Loans (non-annuity)	11 600	11 600	11 600	11 600
Local registered stock	10 292	15 000	15 000	15 000
Instalment Credit				
Financial Leases	1 092	4 469	3 514	3 935
PPP liabilities				
Finance Granted By Cap Equipment Supplier				
Marketable Bonds				
Non-Marketable Bonds				
Bankers Acceptances				
Financial derivatives				
Other Securities				
Municipality Total	46 264	52 519	119 734	155 839

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Loans were taken up only to finance capital expenditure as provided in the MFMA to ensure that all loans will be repayed on maturity date, investments have been named in the form of sinking fund which will be withdrawn on the maturity date to repay the loan.

Table 158: Municipal Investments (R'000)				
Investment* type	2008/2009	2009/2010	2010/2011	2011/12
	Actual	Actual	Actual	Actual
Municipality				
Securities - National Government	-	-	-	-
Listed Corporate Bonds	-	-	-	-
Deposits - Bank	25 865	17 928	20 683	23 677
Deposits - Public Investment Commissioners	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-
Guaranteed Endowment Policies (sinking)	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-
Municipal Bonds	-	-	-	-
Other	-	-	-	-
Municipality sub-total	25 865	17 928	20 683	23 677
Consolidated total:	25 865	17 928	20 683	23 677

5.11 PUBLIC PRIVATE PARTNERSHIPS

For the financial year concerned no PPP's have been entered into.

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

All the supply chain management policies were reviewed and approved by council during the financial year and it should be noted that no councilors form part of bid committee's officials. One official completed the minimum competency levels and five officials are still to enroll. It was resolved that

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there be training of Supply Chain Management and Bid Committee Members as well as other officials to capacitate them with the Supply Chain Management Policies and Procedures. This will enhance the effectiveness of the Bid committees in evaluating and adjudicating bids. The Supply Chain Management Officials will also be able to carry out their Supply Chain Management daily operational duties effectively and comply with the Supply Chain Management Policies. The accredited training institutions have been identified and the budget is now allocated. The bid committees and Supply Chain Management Officials will receive training this financial year.

5.13 GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. GTM has changed from fund accounting to GAMAP during the 2003/2004 financial year and since then gradually changed over to GRAP as approved by accounting standard board. Currently GTM is fully GRAP compliant and there is no deviation from GRAP standard. The GRAP standards which have been approved but not yet effective will be complied with on the effective date.

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

Section 131 of the Municipal Finance Management Act no.56 of 2002 determines the following:

“A municipality must address any issue raised by the Auditor General in an audit report. The Mayor of a municipality must ensure compliance by the municipality with this sub-section.”

The Audit report was received during December 2012 and the basis for Disclaimer of opinion is contained in items 4 to 25 of the Audit report which is attached hereto as **Annexure B**. An Action Plan to address the 2011/2012 Audit findings has been drafted and is attached hereto as **Annexure C**. Cognisance must however be taken that the Action Plan addresses all findings contained in the management report and not just those included in the final Audit Report.

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2010/11-2011/12

6.1 AUDITOR GENERAL REPORTS 2010/11

Table 159: Auditor-General Report on Financial Performance 2010/11	
Audit Report Status*: Qualified	
Non-Compliance Issues	Remedial Action Taken
Money owing by the municipality was not always paid within 30 days of receiving an invoice or statement, as required by section 65(2)(e) of the MFMA.	Audit action plan was drafted and implemented to address these issues
The accounting officer did not take reasonable steps to prevent irregular, fruitless and wasteful expenditure as required by section 62(1)(d) of the MFMA	Audit action plan was drafted and implemented to address these issues
Awards were made to providers based on criteria that differed from those stipulated in the original bid documents as per the requirements of SCM regulation 28(1)	Audit action plan was drafted and implemented to address these issues

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COMPONENT B: AUDITOR-GENERAL OPINION 2011/12

6.2 AUDITOR GENERAL REPORT 2011/12

The Greater Tzaneen Municipality has submitted its Annual Financial Statements for 2012 financial year by 31 August 2012. The municipality received a disclaimer audit opinion from the Auditor General, redressing from its qualified audit opinion received in the past three consecutive years. The report by the Auditor General is attached as **Annexure B** along with the Management Action Plan, containing the remedial actions to be taken as **Annexure C**.

The main contributing factors to the disclaimer audit opinion were mainly use to the following:

- Non submission supporting documentation a due to lack of secured filing system.
- Lack of commitment by finance personnel resulting in documentation a submitted long after they were requested by the Auditor General leading to the Auditor General not conducting an audit on those documents.
- Lack of personnel (asset management unit) which resulted in documentation sent late to consultants dealing compilation of GRAP compliance assets register.

In addressing audit queries, the municipality has done the following:

- Compiled a comprehensive audit implementation plan
- Identified two secured place within the main building of the municipal offices to be used as filing rooms
- Conducting investigations to determine why documents were not submitted to AG on time for audit.

The audit implementation plan is not only dealing with matters that have influenced the opinion, but also with matters of emphasis and administrative matters to improve on our housekeeping. Furthermore, in addition to the establishment of risk management unit, a request is forwarded to both finance portfolio and governance and administrative portfolio committees for the establishment of asset management unit.

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The municipality remains confident that the audit opinion will be improved in 2013 with the main objective of achieving clean audit in 2014.

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned by GTM according to the reporting requirements, with the exception of C6 to C7 (refer to Addendum S).

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and

GLOSSARY

	creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.

GLOSSARY

Service Delivery Budget Implementation Plan	Detailed plan approved by the Mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

ADDENDUMS

ADDENDUM A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Table 160: Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
T S Manyama	PT		1/ANC	100%	
M E Ramolefo	PT		2/ANC	100%	
S P Masetla	PT	Health & Social Development	3/ANC	75%	25%
M M Mmola	PT	Agriculture	4/ANC	100%	
T K Nukeri	PT	Finance, Water Services	5/ANC	100%	
C Baloyi	PT	Sports Recreation, Art & Culture, Infrastructure,	6/ANC	100%	
M D Mabape	PT	Finance, Water Services	7/ANC	50%	50%
M R Makhudu	PT	Finance	8/ANC	100%	
M M Mohale	PT	Water Services	9/ANC	100%	
N M Mahasha	PT	Water Services, Public Transport & Roads	10/ANC	100%	
M L Hlangwane	PT	Health & Social Development	11/ANC	75%	50%
G E Ntimbane	PT	Public Transport & Roads	12/ANC	100%	
B M Mashava	PT	Water Services	13/ANC	100%	
A E Jansen Van Vuuren	PT	Sports Recreation, Art & Culture	14/DA	50%	50%
R E Pohl	PT	Health & Social Development	15/DA	100%	
N R Rikhotso	PT	Public Transport & Roads	16/ANC	100%	
D Q Mhlari	PT	LED	17/ANC	100%	
R P Nghonyama	PT	Agriculture	18/ANC	100%	
N H Zandemela	PT	LED, Corporate Governance	19/ANC	100%	

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Table 160: Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
K O Banyini	PT	Agriculture, Corporate Governance, Infrastructure	20/ANC	100%	
M S Mboweni	PT	LED	21/ANC	75%	25%
N D Ndhlovu	PT	Public Transport & Roads, Health & Social Development	23/ANC	100%	
T L Mhlongo	PT	Health & Social Development	24/ANC	75%	25%
G G Nghondweni	PT	Public Transport & Roads	25/ANC	100%	
S Mahori	PT	Infrastructure	26/ANC	100%	
M G Mangena	PT	Water Services	27/ANC	100%	
S T Mushwana	PT	Sports Recreation, Arts & Culture, LED	28/ANC	75%	25%
N A Masila	PT	Finance	29/ANC	100%	
M L Pudikabekwa	PT		30/ANC	100%	
P J Ramodipa	PT	Corporate Governance & Shared Services, LED	31/ANC	75%	25%
M S Raganya	PT	Agriculture	32/ANC	100%	
D T Maake	PT		33/ANC	100%	
M M Letsoalo	PT	Infrastructure	34/ANC	75%	25%
M J Mokgoloboto	PT	LED, Health & Social Development	ANC	100%	
D G Mushwana	PT	Sports Recreation, Arts & Culture, Public Transport & Roads	ANC	50%	50%
M Sabela	PT	Corporate Governance	DA	75%	25%
D J Mmetle	FT		ANC	100%	
M N Mboweni	FT		ANC	100%	
P Machete	FT		ANC	100%	
C Machimana	FT	Finance, LED,	ANC	100%	
M C Nkhwashu	PT	Finance, Water Service, Infrastructure	ANC	75%	25%
R R Selomo	FT	Infrastructure, Corporate Governance, Agriculture	ANC	100%	

APPENDICES

Table 160: Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
M S Maunatlala	FT	LED, Infrastructure, Agriculture, Sports Recreation, Arts & Culture	ANC	100%	
M Mokgomole	PT	Agriculture	ANC	75%	25%
B J Sekgotodi	PT	Public Transport & Roads, Water Services	ANC	75%	25%
S J Nkuna	PT	Health & Social Development	ANC	75%	25%
M R Shingange	FT	Corporate Governance & Shared Services, Infrastructure, Water Services	ANC	100%	
J Mothiba	PT	Sports Recreation, Arts & Culture	ACDP	100%	
M L Ncha	PT	Sports Recreation, Arts & Culture	ANC	75%	25%
L Mohale	PT	Finance	ANC	100%	
D L Ndove	PT	Infrastructure, Sports Recreation, Arts & Culture, Health & Social Development	ANC	75%	25%
M Makwala	PT	Finance	ANC	100%	
S Mbhalati	PT	LED, Public Transport & Roads, Water Services	ANC	100%	
M Risaba	PT	LED	ANC	75%	25%
L Matita	PT	Agriculture	ANC	100%	
G Mushwana	PT	Corporate Governance & Shared Services,	ANC	75%	25%
G Mabuza	PT	Corporate Governance, & Shared Services, Agriculture	ANC	100%	
M Valentine	PT	Agriculture	ANC	100%	
M Mbhalati	PT	Corporate Governance & Shared Services	ANC	75%	25%
A Makwela	PT	Finance	COPE	100%	
C Mamogale	PT	Public Transport & Roads	COPE	75%	25%
L Perkins	PT	Public Transport & Roads	DA	100%	

APPENDICES

Table 160: Councillors, Committees Allocated and Council Attendance

Council Members	Full Time / Part Time (FT/PT)	Committees Allocated	*Ward and/or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
J Shiluvane			APC	75%	25%
M Mokgobi	PT	Finance, Sports Recreation, Arts & Culture	ANC	75%	25%
C Makwala	PT	Finance, Infrastructure, Health & Social Development	ANC	100%	
H Magoro	PT	Health & Social Development	ANC	100%	
M Sibiya	PT	Corporate Governance & Shared Services	ANC	75%	25%
M Mc Neil	PT	Agriculture	DA	75%	25%
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

APPENDICES

ADDENDUM B – COMMITTEES AND COMMITTEE PURPOSES

Table 161: Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	To discuss matters concerning the Revenue and Debt Management, Procurement and Stock Management, Expenditure, Budgets and Budgetary Control, Accounting, Finance, Financial Administration, Insurance and Housing Finance and any other matter related to finance thereto.
Infrastructure Committee	To discuss matters related to Electricity and Energy including network operations, distribution, sales and customer services.
Economic Development, Housing and Spatial Development Plan	To discuss matters related to SMME, empowerment support and job creation, the support and regulation of informal trading, sector support, investment and export, trade promotion and facilitation, the facilitation of partnerships between the Council and public, private and community groups, economic co-ordination and facilitation, business area management and community skills development and Tourism. The housing and informal settlement, the spatial planning and growth management, design services, land use management, building development management, development projects, land information and planning legislation and enforcement.
Corporate Governance & Shared Services	To discuss matters related to Human Resource Administration, Labour Relations, Recruitment and Selection, Training and Development, Occupational Health and Safety, Employment Equity, Skills Development, Grading and Remuneration, Performance management and Transformation. The General Administration. Auxiliary Services, Committee Secretariat, Councillor Support, Printing and Graphic Services. The Internal Communication, Public Participation and Information Technology matters.
Agriculture & Environment Management	To discuss all Agricultural matters, The Environment Planning Policy, environmental impact assessment, coastal planning, outdoor advertising and signage, heritage resource management and nature reserve planning.
Public Transport & Roads	To discuss on Transportation planning, systems monitoring and information management, Traffic infrastructure management, public transport, passenger security. Traffic signs and robot maintenance. Decide on the permanent closure of all streets and roads.
Sports Recreation, Arts & Culture	To discuss matters concerning sports and recreation, arts and culture.
Health & Social Development	To discuss matters concerning the Libraries, the Community facilities, cemeteries and crematoria, health services, refuse removal; refuse disposal, illegal dumping and street cleansing.
Water Services	To discuss matters related to water and sanitation including bulk water, catchment-management, wastewater treatment, water and wastewater reticulation, water and sanitation technical services, storm water and river management.
Municipal Public Account Committee	To consider and evaluate the annual report, to examine the financial statements and audit reports, to promote good governance, transparency and accountability on the municipal resources, to undertake any investigation in its area of responsibility and to perform any other function assigned to it through a resolution of council within its area of responsibility.

APPENDICES

ADDENDUM C –THIRD TIER ADMINISTRATIVE STRUCTURE

Table 162: Third Tier Administrative Structure	
Directorate	Director/Manager (State title and name)
Office of the Municipal Manager	Manager (Internal Audit) Mr. MR Shingange
	Manager (Disaster Management) Vacant
	Manager (Strategic Support) Vacant
Corporate Services	Manager (Human Resources) Mr. MPS Visser
	Manager (Adm. Support & Records Management) Vacant
	Manager (Legal Services) Adv. N Phatudi
	Manager (IT) Vacant
	Manager (Community Participation and Project Support) Mr. F Malale
Planning and Economic Development	Manager (Social Economic Dev) Mr. DF Rammalo
	Manager (Land & Housing) Mr. NH Phakula
	Manager (Town Planning) Mr. NJ Mathye
Office of Chief Financial Officer	Manager (Supply Chain) Mr. TA Ramokgano
	Manager (Finance) Mr. J. Biewenga
	Manager (Income) Mrs. PM Viljoen
	Manager (Expenditure) Mrs. ME Sono
Electrical Engineering Services	Manager (Operations and Maintenance) Mr. AG Laubscher
	Manager (Operations and Maintenance) Mr. MS Lelope
	Snr Electrical Engineering Technician Mr. NG Fourie
Engineering Services	Manager (Building Maintenance and Fleet) Mr. ML Mahayi
	Manager (Water & Sanitation) Mr JP Shilowa
	Manager (Roads and Storm Water) Mrs. H.O. Tshisevhe
	Manager (PMU) Mr. AP Killian
Community Services	Manager (Solid Waste) Mr. HL Mienie
	Manager (Library Services) Mrs. CJ Nel
	Manager (Environmental Health) Mrs. TM Machumele
	Manager (Licensing and Testing) Mr. CAJ Liversage
	Manager (Law Enforcement) Mr. MJ Malatji
	Manager (Parks, Recreation and Cemeteries) Vacant

APPENDICES

ADDENDUM D – FUNCTIONS OF MUNICIPALITY / ENTITY

Table 163: Municipal Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	n/a
Building regulations	Yes	n/a
Child care facilities	No	n/a
Electricity and gas reticulation	Yes	n/a
Fire fighting services	No	n/a
Local tourism	Yes	n/a
Municipal airports	Yes	n/a
Municipal planning	Yes	n/a
Municipal health services	No	n/a
Municipal public transport	No	n/a
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	n/a
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	n/a
Stormwater management systems in built-up areas	Yes	n/a
Trading regulations	Yes	n/a
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	n/a
Beaches and amusement facilities	Yes	n/a
Billboards and the display of advertisements in public places	Yes	n/a
Cemeteries, funeral parlours and crematoria	Yes	n/a
Cleansing	Yes	n/a
Control of public nuisances	Yes	n/a
Control of undertakings that sell liquor to the public	Yes	n/a

APPENDICES

Table 163: Municipal Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
Constitution Schedule 4, Part B functions:		
Facilities for the accommodation, care and burial of animals	No	n/a
Fencing and fences	No	n/a
Licensing of dogs	Yes	n/a
Licensing and control of undertakings that sell food to the public	Yes	n/a
Local amenities	Yes	n/a
Local sport facilities	Yes	n/a
Markets	No	n/a
Municipal abattoirs	No	n/a
Municipal parks and recreation	Yes	n/a
Municipal roads	Yes	n/a
Noise pollution	Yes	n/a
Pounds	Yes	n/a
Public places	Yes	n/a
Refuse removal, refuse dumps and solid waste disposal	Yes	n/a
Street trading	Yes	n/a
Street lighting	Yes	n/a
Traffic and parking	Yes	n/a

APPENDICES

ADDENDUM E – WARD REPORTING

Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
1	<u>T Manyama (ward Councillor)</u> 1. E. Baloyi 2. T. Mametja 3. N. Monaiwa 4. T Makhubela 5. P Malematja 6. L Mogale 7. G Rabothata 8. D Mashatola 9. S Mothomogolo 10. G Maunatlala	yes	6	6	1
2	<u>E Ramolefo (Ward Councillor)</u> 1. M C Ramokgola 2. T Selowa 3. N Sethabe 4. L Nkuna 5. R Mohlongo 6. C Manyama 7. L Mohatli 8. C Kappa 9. S R Sebashe 10. T D Sewapa	yes	6	6	1
3	<u>P Masetla (Ward Councillor)</u> 1. E Khosa 2. M Masinge 3. M Malapane 4. M Kheshane 5. C Moatli 6. S Ngobeni 7. V Machaba 8. D Mashale 9. A Mokgathi 10. T S Ngobeni	yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
4	<u>M Mmola (Ward Councillor)</u> 1. M B Maswanganyi 2. T P Baloyi 3. T M Makhubele 4. J Kgatla 5. F Ndhlovu 6. S Mahlawule 7. M Kgatla 8. E F Pilusa 9. C Mongwe 10. K N Mabunda	yes	6	6	1
5	<u>T K Nukeri (ward Councillor)</u> 1. M Motseparela 2. G M Malungana 3. F Rikhotso 4. B Shipalana 5. L Maweni 6. J R Maweni 7. J R Nkuna 8. T Makhubele 9. A J Sibula 10. T T Ngobeni	Yes	6	6	1
6	<u>C Baloyi (Ward Councillor)</u> 1. E Mohlongo 2. J Ramawila 3. J Ngobeni 4. C T Mashkeni 5. R Mathebula 6. M M Ngobeni 7. P M Kubayi 8. K Mtsenga 9. J Mathebula 10. J Mjela	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
7	<u>D Mabape (Ward Councillor)</u> 1. F Mabunda 2. H Mashala 3. E Semosa 4. C Mohale 5. M Ramalepe 6. V Modiba 7. C Ratlabala 8. B Mokwena 9. C Mailula 10. D Ramahlo	Yes	6	6	1
8	<u>R Makhudu (Ward Councillor)</u> 1. G Rakgwale 2. H Mogale 3. E Lebeya 4. D Malatji 5. L Ngobeni 6. C Makgobatlou 7. V Leshoka 8. E Mathibela 9. R Ramoshaba 10. E Malatji	Yes	6	6	1
9	<u>M Mohale (Ward Councillor)</u> 1. P Selotole 2. S Mononela 3. M Sekgobela 4. P Sekete 5. J Ramahlo 6. J Malatji 7. J Nkwana 8. M Rabothata 9. M Senyolo 10. P Sekete	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
10	<u>M Mahasha(Ward Councillor)</u> 1. M Mahowa 2. L Thamahanyana 3. S Seshoka 4. E Mahasha 5. B Ramoshaba 6. M S Baloyi 7. T V Masedi 8. J Modipa 9. S Maake 10. A Makgopa	Yes	6	6	1
11	<u>L Hlangwane (Ward Councillor)</u> 1. L N Molewa 2. K E Baloyi 3. S Nkuna 4. B Satkekge 5. E Malatji 6. T Mathebula 7. M Malatji 8. P Ramoshaba 9. S Mashayi 10. H Petal	Yes	6	6	1
12	<u>E Ntimbana (Ward Councillor)</u> 1. A S Tivana 2. T Rihlampfu 3. N Mabunda 4. E Mabunda 5. J Ngobeni 6. E J Mongwe 7. G Sambo 8. P S Ngomane 9. D Rikhotso 10. S M Ndlovu	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
13	<u>B M Mashala (Ward Councillor)</u> 1. T E Khosa 2. R C Baloyi 3. C Risiva 4. R T Nkuna 5. C Mongwe 6. O E Ndlovu 7. E Ngobeni 8. T Mboweni 9. J M Mathebula 10. C Besswick	Yes	6	6	1
14	<u>A Van Vureen (Ward Councillor)</u> 1. C Ntuli 2. E Pilusa 3. D Protter 4. J P Stoltz 5. M Nel 6. T McIntock 7. H Van Niekeen Kuyper 8. K Van Rensburg 9. M Mkhawane 10. P Monyama	Yes	6	6	1
15	<u>R Pohl (Ward Councillor)</u> 1. B Khumalo 2. P Zaayman 3. J du Toit 4. N Ndou 5. R R Shai 6. L Cronje 7. M Sekgoaila 8. M M Malatji 9. M Jacobs 10. A Cilliers	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
16	<u>R Rikhotso(Ward Councillor)</u> 1. B Nomvela 2. L Moagi 3. A Bvuma 4. T Mawasha 5. L Malatji 6. P Mawasha 7. A Shipalane 8. B Masetle 9. H Harman 10. S Mocheki	Yes	6	6	1
17	<u>D Mhlarhi (Ward Councillor)</u> 1. S Mbuza 2. F Tshuketane 3. R Bvuma 4. J Sekhobela 5. J Mokgolobotho 6. J Mokhabela 7. A Mathye 8. E Seabela 9. I Sekgobela 10. M Mbewe	Yes	6	6	1
18	<u>P Ngonyama (Ward Councillor)</u> 1. J Shilubane 2. N Mkansi 3. G Nkwhashu 4. G Nghonyama 5. L Tivane 6. J Semosa 7. F Mlangeni 8. C Mhlari 9. G Mbhalati 10. L Tshikani	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
19	<u>H Zandamela (Ward Councillor)</u> 1. P Thibeyahobe 2. S Matiane 3. M Gaisa 4. S Manyike 5. R Bulala 6. N Banda 7. N Rakgolane 8. S Bulala 9. L Khosa 10. R Mathebula	Yes	6	6	1
20	<u>O Banyini (Ward Councillor)</u> 1. L Ngobeni 2. J Mongwe 3. C Nhlanguwini 4. E Nhlanguwini 5. C Shokane 6. S Moagi 7. M Nhlanguwini 8. B Baloyi 9. I Mongwa 10. V Chuma	Yes	6	6	1
21	<u>S Mboweni(Ward Councillor)</u> 1. D Maakane 2. V Malungane 3. T Mpenyana 4. P Baloyi 5. N Ndala 6. B Mabunda 7. B Mthembi 8. A Mnisi 9. M Macevele 10. V Mabulane	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
22	<u>C Makwala (Ward Councillor)</u> 1. E Ramalepe 2. M Sekgobela 3. A Maphumapi 4. E Rasebotsa 5. C Makwala 6. S Mhlarhi 7. D Selane 8. I Malatji	Yes	6	6	1
23	<u>N Dlovu(Ward Councillor)</u> 1. M Banyini 2. M Khosa 3. M Mathebula 4. F Maroleng 5. S Ngoben 6. P Rakgoropo 7. W Mohlongo 8. T Nkwinika 9. K Phiri 10. A Nkhwashu	Yes	6	6	1
24	<u>L Mhlongo(Ward Councillor)</u> 1. S Malatji 2. T Jigana 3. A Shikwambana 4. R Khosa 5. K Rikhotso 6. G Ngoveni 7. R Mhlaba 8. S Mhlarhi 9. G Mathonsi 10. D Shilubane	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
25	<u>Ngondzweni G (Ward Councillor)</u> 1. S Malatji 2. C Nkhwashu 3. B Mogale 4. P Mashele 5. I Rikhotso 6. J Maholovele 7. B Machabe 8. K Mhlanga 9. A Baloyi 10. S Rikhotso	Yes	6	6	1
26	<u>S Mahori (Ward Councillor)</u> 1. R Mhlarhi 2. P Shikwambana 3. V Mangena 4. J Mhlarhi 5. J Selane 6. B Mthembi 7. P Mabunda 8. C Mthembi 9. E Malatjie 10. N Ghana	Yes	6	6	1
27	<u>M Mangena(Ward Councillor)</u> 1. G Makhumbele 2. P Patsi 3. J Seoka 4. J Ramoshaba 5. P Sebela 6. S Malatji 7. P Mangena 8. I Mailula 9. J Maake 10. R Phasha	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
28	<u>T Mushwana(Ward Councillor)</u> 1. K Lupalana 2. T Shai 3. R Mangena 4. B Shikwambana 5. N Mathebula 6. L Mushwana 7. M Mkhabele 8. M Rathwakga 9. J Mabulana 10. J Moagi	Yes	6	6	1
29	<u>N Masila(Ward Councillor)</u> 1. E Nukeri 2. E Sethemana 3. C Mokgobi 4. J Sodi 5. A Mhlongo 6. E Ratopola 7. M Makhurupetje 8. A Mathebula 9. S Malesa 10.	Yes	6	6	1
30	<u>L Pudikabekwa(Ward Councillor)</u> 1. R Rapitsi 2. F Rantjie 3. S Malatjie 4. M Letsoalo 5. S Molepo 6. D Khunwane 7. M Shai 8. T Mboweni 9. P Malatjie 10. C Ratopola	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
31	<u>J Ramodipa(Ward Councillor)</u> 1. C Mabitsela 2. S Lefothle 3. M Nkgapele 4. M Hlokwe 5. A Rakgoale 6. G Maponya 7. S Ramokgola 8. K Monyela 9. M Seokgo 10. S Mafokwane	Yes	6	6	1
32	<u>S Raganya (Ward Councillor)</u> 1. I Malatji 2. L Mohale 3. S Semosa 4. M Mametja 5. T Nkuna 6. P Mokwena 7. J Manamela 8. S Nkuna 9. B Modiba 10. G Mathebula	Yes	6	6	1
33	<u>D Maake(Ward Councillor)</u> 1. D Peu 2. H Molewa 3. F Pilusa 4. B Maake 5. F Gaffane 6. P Monyela 7. J Semosa 8. P Maseamedi 9. K Batjie 10. O Mailula	Yes	6	6	1

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Table 164: Functionality of Ward Committees					
Ward	Name of Ward Councillor & Elected committee members	Committee established (y/n)	Number of monthly meetings	Number of Monthly reports submitted to Speakers office	Number of quarterly public ward meetings held
34	<u>M Letsoalo(Ward Councillor)</u> 1. T Kodumela 2. M Letsoalo 3. S Ramoreti 4. S Letsie 5. R Moagi 6. J Malesa 7. A Letsoalo 8. J Ralepelle 9. T Mogoboya 10. A Ramaila	Yes	6	6	1

APPENDICES

ADDENDUM F – WARD INFORMATION

Table 165: Capital Projects: Seven Largest in 2011/12 - R' 000					
Ward No.	Project Name and detail	Start Date	End Date	Total Value	
2 & 3	Ramotshinyadi, Miragoma & Mokgwathi	26 January 2012	25 September 2012	52'721	
1	Senakwe to Morapalala	02 April 2012	04 December 2012	36'285	
21, 24	Sasekani to Nkowankowa D Tar	02 April 2012	25 September 2012	33'225	
All	Electricity Capacity Project	02 November 2010	Ongoing	32'718	
15	Rehabilitation of Internal Claude Wheatley	02 March	02 November 2012	9'168	

APPENDICES

ADDENDUM G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE 2011/12

TABLE 166: Municipal Audit Committee Recommendations			
Date of Committee	Committee recommendations during 2011/12	Recommendations adopted (enter Yes); not adopted (provide explanation)	Implemented (Yes/No)
03 May 2012	Revenue enhancement /strategy out dated	Currently revised, finalisation the end of March 2012.	Revised copy not received.
03 May 2012	Roll out plan for debtors and creditors action plan not presented to the A/C	To be presented in the next A/C meeting	Action plan not submitted
03 May 2012	Water status report	Signed agreement be sent to the chairperson of the A/C	Signed agreement sent to the chairperson on the 22/ 02 2012.
03 May 2012	Institutional performance and mid- year report not submitted	Both reports are submitted when finalised.	Reports not yet submitted.
03 May 2012	AG implementation plan.	To be submitted to A/C before it served to council with action dates, column for audit verification	Action plan not yet submitted
03 May 2012	Quarterly financial performance report	When report is finalised it must be presented in the next A/C meeting	Report not yet submitted
03 May 2012	Asset register-interim asset verification in progress	Full asset verification shall be done end of June 2012.	Still in progress
03 May 2012	Cash flow management- bank reconciliation is done monthly	Cash flow be linked to procurement plan and bank reconciliation be submitted in the next A/C meeting	Bank reconciliation not submitted
03 May 2012	Supply chain management report- contract for water supply tankers shall end in February 2012 and feasibility study shall be done	Feasibility study report be submitted to the A/C, and internal audit, audit supply chain process	Feasibility study report not submitted and supply chain audit conducted and draft report issued
03 May 2012	Internal audit reports submitted without management comments	All reports without management comments be re-submitted with management comments	Not yet re-submitted
03 May 2012	IT report- IT manager not appointed	IT manager be appointed next financial year and explore the establishment of IT committee	Still under consideration

APPENDICES

ADDENDUM H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Table 167: Long Term Contracts (20 Largest Contracts Entered into 2011/12) - R' 000					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Marsh Pty	Short-term Insurance	July 2012	June 2015	Johan Biewenga	R 1 538 615
Ddp Valuers	Valuation Roll	July 2013	June 2017	Rona Viljoen	R 2 887 482
Green Valley	11kv & 33kv Overhead	July 2011	June 2014	Sam Lelope	Per Rate
Nashua Limpopo	Automations	June 2012	June 2015	Milton Sibuyi	R 100 420.02 Pm
Ipec Utility	Clearance Of Debt Book	October 2011	October 2014	Rona Viljoen	Per Rate

No public – private partnerships entered into during 2011/12.



APPENDICES

ADDENDUM K: REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

ADDENDUM K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Table 168: Revenue Collection Performance by Vote - R' 000

Vote Description	2010/2011	Current year 2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Vote1 - Municipal Manager						
Vote2 - Planning & Economic Development	5 099	14 494	12 494	5 804	8 690	6 690
Vote3 - Financial Services	201 356	222 352	222 352	256 629	(34 277)	(34 277)
Vote4 - Corporate Services	54	1	1	268	(267)	(267)
Vote5 - Community Services	42 502	77 480	78 391	49 337	28 142	29 054
Vote6 - Electrical Engineering Services	254 873	321 713	321 713	313 514	8 200	8 200
Vote7 - Engineering Services	39 375	47 298	47 754	25 983	21 315	21 771
Total Revenue by Vote	543 259	683 338	682 705	651 535	31 804	31 171

APPENDICES

ADDENDUM K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Table 169: Revenue Collection Performance by Source - R '000						
Description	2010/2011	2011/2012			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	44 684	45 592	45 592	55 728	(10 136)	(10 136)
Property rates - penalties & collection charges	3 254	3 162	3 162	3 107	55	55
Service Charges - electricity revenue	248 402	316 714	316 714	307 269	9 445	9 445
Service Charges - water revenue				–	–	–
Service Charges - sanitation revenue				–	–	–
Service Charges - refuse revenue	17 580	17 306	17 306	21 230	(3 924)	(3 924)
Service Charges - other	955	3 825	3 825	807	3 017	3 017
Rentals of facilities and equipment	579	233	233	393	(160)	(160)
Interest earned - external investments	2 308	51	51	5 160	(5 109)	(5 109)
Interest earned - outstanding debtors	14 062	14 685	14 685	12 943	1 742	1 742
Dividends received					–	–
Fines	3 110	2 330	2 330	7 010	(4 679)	(4 679)
Licences and permits	414	303	303	499	(196)	(196)
Agency services	8 879	43 643	43 643	20 929	22 714	22 714
Transfers recognised - operational	148 658	194 759	194 126	180 687	14 072	13 439
Other revenue	5 369	3 792	3 792	7 166	(3 374)	(3 374)
Gains on disposal of PPE	–	1 500	1 500	–	1 500	1 500
Environmental Protection					–	–
Total Revenue (excluding capital transfers and contributions)	498 254	647 894	647 261	622 928	24 966	24 333

APPENDICES

ADDENDUM L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

See Table 148

APPENDICES

ADDENDUM M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

ADDENDUM M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Table 170: Capital Expenditure - New Assets Programme* (R'000)							
Description	2010/2011	2011/2012			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/2013	2013/2014	2014/2015
<u>Capital expenditure by Asset Class</u>							
<u>Infrastructure - Total</u>	45 614	102 306	102 306	67 467	101 155	87 553	92 231
Infrastructure: Road transport - Total	15 708	83 376	83 376	27 285	84 155	82 283	86 698
<i>Roads, Pavements & Bridges</i>	15 708	83 376	83 376	27 285	84 155	82 283	86 698
<i>Storm water</i>							
Infrastructure: Electricity - Total	29 764	18 930	18 930	39 833	17 000	5 270	5 534
<i>Generation</i>							
<i>Transmission & Reticulation</i>	29 764	18 695	18 695	39 736	17 000	5 270	5 534
<i>Street Lighting</i>		235	235	97			
Infrastructure: Water - Total	–	–	–	–	–	–	–
<i>Dams & Reservoirs</i>							

APPENDICES

Table 170: Capital Expenditure - New Assets Programme* (R'000)							
Description	2010/2011	2011/2012			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/2013	2013/2014	2014/2015
<i>Water purification</i>							
<i>Reticulation</i>							
Infrastructure: Sanitation - Total	-	-	-	-		-	-
<i>Reticulation</i>							
<i>Sewerage purification</i>							
Infrastructure: Other - Total	142	-	-	349	-	-	-
<i>Waste Management</i>				349			
<i>Transportation</i>							
<i>Gas</i>							
<i>Other</i>	142						
Community - Total	1 106	-	-	-	5 000	7 000	7 062
Parks & gardens	977				5 000	7 000	7 062
Sports fields & stadia							
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							

APPENDICES

Table 170: Capital Expenditure - New Assets Programme* (R'000)							
Description	2010/2011	2011/2012			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/2013	2013/2014	2014/2015
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other	129						
<u>Heritage assets - Total</u>							
Buildings							
Other							
<u>Investment properties - Total</u>							
Housing development							
Other							
-							
<u>Other assets</u>	5 806	3 500	3 500	31 507	4 500	3 500	3 500
General vehicles				26 678			
Specialised vehicles							
Plant & equipment	5 337	500	500	908			
Computers - hardware/equipment		300	300	3 346			
Furniture and other office equipment	468	1 500	1 500	575	3 500	3 500	3 500

APPENDICES

Table 170: Capital Expenditure - New Assets Programme* (R'000)							
Description	2010/2011	2011/2012			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/2013	2013/2014	2014/2015
Abattoirs							
Markets							
Civic Land and Buildings		500	500				
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other		700	700		1 000		
<u>Agricultural assets</u>	-	-	-	-	-	-	-
NONE							
<u>Biological assets</u>	-	-	-	-	-	-	-
NONE							
<u>Intangibles</u>	-	-	-	51	-	-	-
Computers - software & programming				51			
Other (list sub-class)							
Total Capital Expenditure on new assets	52 526	105 806	105 806	99 025	110 655	98 053	102 793
<u>Specialised vehicles</u>							
Refuse							

APPENDICES

ADDENDUM M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Table 171: Capital Expenditure - Upgrade/Renewal Programme*- R '000							
Description	2010/2011	2011/2012			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2012/2013	2013/2014	2014/2015
Capital expenditure by Asset Class							
Infrastructure - Total	40 660	12 570	12 570	12 049	8 000		
Infrastructure: Road transport - Total	6 751	–	–	–	–		
Roads, Pavements & Bridges							
Storm water							
Infrastructure: Electricity - Total	1 979	12 570	12 570	12 049	8 000		
Transmission & Reticulation	1 979	12 570	12 570	12 049	8 000		
Street Lighting							
Infrastructure: Other - Total	31 930	–	–	–			
Waste Management	31 930						
Transportation							
Other assets	734	–					
Computers - hardware/equipment	582						
Furniture and other office equipment	151						
Total Capital Expenditure on renewal of existing assets	41 393	12 570	12 570	12 049	8 000	–	–

APPENDICES

ADDENDUM N – CAPITAL PROGRAMME BY PROJECT 2011/12

Table 172: Capital Programme by Project 2011/12 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water	No capital projects implemented as District is Service Authority				
Sanitation/Sewerage	No capital projects implemented as District is Service Authority				
ELECTRICITY					
Installation of Fire wall protection	550 000	550 000	473 240	14	14
Airconditioners (Town)	150 000	150 000	107 637	28	28
Auto Reclosers	880 000	880 000	884 122	-0.47	-0.47
Capital Tools (Outlying)	220 000	220 000	219 975	0.01	0.01
Capital Tools (Town)	275 000	275 000	128 476	53.28	53.28
Rebuilding of Lines	4 000 000	4 000 000	3 221 290	19.00	19.00
LED lights for Robots	80 000	80 000	104 372	-30.47	-30.47
Distribution Network (Service Contribution)	6 000 000	6 000 000	-	100	100
Upgrading Tzaneen Town network including cables	8 500 000	8 500 000	5 971 072	29.75	29.75
Upgrading protection equipment on substations	70 000	70 000	-	100	100
Nkowankowa 66KV line	2 000 000	2 000 000	-930 749	53.46	53.46
Electrical Connections	1 000 000	1 000 000	-	100	100
Electrification of Mokgolobotho and Dan Ext 1&2 (Phase 2)	9 000 000		5 988 061		33.47
Pre-paid monitoring system and vending station	500 000	500 000	496 043	0.79	0.79
Strategic Lighting	155 000	155 000	120 384	27.69	27.69
ROADS & STORMWATER					

APPENDICES

Table 172: Capital Programme by Project 2011/12 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Senakwe to Maropalala	5 000 000	5 000 000	1 299 050	74.02	74.02
Speed humps	2 000 000	2 000 000	1 928 104	3.59	3.59
Mopye low level bridge	500 000	500 000	35 418	92.92	92.92
Thlako to Sefolwe village low level bridge	500 000	500 000	35 418	92.92	92.92
Politsi low level bridge	2 500 000	2 500 000	177 017	93.00	93.00
Ramotshinyadi to Mokhwati Tar road (11km)	39 976 400	39 976 400	20 672 206	48.00	48.00
Rehabilitation of streets in Tzaneen, Nkowankowa, Lenyenye, Letsitele and Haenerstburg	6 200 000	6 200 000	579 556	90.65	90.65
Sasekani to Nkowankowa Tar road (8 km)	31 000 000	31 000 000	6 691 058	78.42	78.42
PARKS & CEMETERIES					
Purchase Lawn Mowers	500 000	500 000	331 611	33.68	33.68
Cemetery Development	300 000	300 000	-	100.00	100.00
Housing	GTM is not a housing service provider -				
Economic development	None				
Township establishment - Shiluvana Library	500 000	500 000	-	100	100
NDPG Project Management (technical separately submitted) Professional fees are VAT inclusive	1 150 000	1 150 000	568 134	50.60	50.60
Renamed PP6 Nkowankowa Central Development Initiative (covers hawkers facility, mass lighting, taxi rank)	14 000 000	14 000 000	-	100	100
Establishment of intermodal Taxi rank		0	-	0	0
Renamed PP6 as above	0				
Development of Hawkers Facilities Renamed	0	0	-	0	0

APPENDICES

Table 172: Capital Programme by Project 2011/12 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
PP6 as above					
Provision of High mast lights - Renamed PP6 as above	0	0	-	0	0
PP8 - Nkowankowa East Integrated Human Settlement	19 000 000		1 765 648	100	90.71
PP4 - Broadband Rural Connectivity	5 332 635	5 332 635	288 236	95	95
Sports, Arts & Culture	None				
Environmental Health	None				
Star grading system	20 000	20 000	R0	100	100
Environmental monitoring equipment	100 000	100 000	40 134	59.87	59.87
Cleaning equipment	80 000	80 000	R0	100	100
Health	None				
ICT and Other					
Furniture - MM	50 000	50 000	R18 450	63.10	63.10
PMS Software & equipment	450 000	R0	R0	0	100
Financial Software supplier Data Base and Electronic Bank reconciliation	300 000	300 000	-	100	100
Supply chain management software	200 000	200 000	168 280	15.86	15.86
Customer Call Centre (Mayoral Hotline)	180 000	0	-	100	0
Digital Video Cameras (2)	15 000	15 000	5 999	40	40
Digital Cameras (2)	10 000	10 000	-	100	100
Branding equipment	30 000	30 000	-	100	100
Rural Broadband connectivity	14 000 000		-	100	
Purchase Projectors	70 000	70 000	26 295	62.44	62.44
Purchasing of Zippel cabinets for HR Archives	60 000	60 000	36 400	39.33	39.33
Aircon for HR Archives	10 000	10 000	-	100	100

APPENDICES

Table 172: Capital Programme by Project 2011/12 (R'000)					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Recording System in Council Chamber	125 000	125 000	R 175 439	-40.35	-40.35
Securing of Rates Hall and Morphy Access Control system	500 000	1500 000	R 2 038	99.86	99.59

APPENDICES

ADDENDUM O – CAPITAL PROGRAMME BY PROJECT BY WARD 2011/12

Table 173: Capital Programme by Project by Ward 2011/12*- R' 000		
Capital Project	Ward(s) affected	Works completed (Yes/No)
ELECTRICITY		
Installation of Fire wall protection	15	Yes
Airconditioners (Town)	All Wards	Yes
Auto Reclosers	All Wards	Yes
Capital Tools (Outlying)	All Wards	Yes
Capital Tools (Town)	All Wards	Yes
Rebuilding of Lines	15	Yes
LED lights for Robots	15	Yes
Distribution Network (Service Contribution)	All Wards	Yes
Upgrading Tzaneen Town network including cables	15	Yes (Phase 1)
Upgrading protection equipment on substations	All Wards	No
Nkowankowa 66KV line	19, 23	Yes
Electrical Connections	All Wards	Yes
Electrification of Mokgolobotho and Dan Ext 1&2 (Phase 2)	17	Yes
Pre-paid monitoring system and vending station	15,16,19,23,30	Yes
Strategic Lighting	All Wards	Yes
ROADS & STORMWATER		
Senakwe to Maropalala	1	No
Speed humps	All Wards	No
Mopye low level bridge	9	No
Thlako to Sefolwe village low level bridge	9	No
Politsi low level bridge	14	No
Ramotshinyadi to Mokhwati Tar road (11km)	2&3	No
Rehabilitation of streets in Tzaneen, Nkowankowa, Lenyenye, Letsitele and Haenerstburg	21& 24	No
Sasekani to Nkowankowa Tar road (8 km)	21 and 24	No
PARKS		
Purchase Lawn Mowers	All Wards	No
Cemetery Development	All Wards	No
ENVIRONMENTAL HEALTH		
Star grading system	All Wards	Yes
Environmental monitoring equipment	All Wards	No

APPENDICES

ADDENDUM P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Table 174: Service Backlogs: Schools and Clinics (2011/12)				
Establishments lacking basic services	Water	Sanitation	Electricity⁴	Solid Waste Collection
Schools (NAMES, LOCATIONS)				
N/a	No backlog	No backlog	No backlog	Backlog at all rural-areas No backlog in urban areas
Clinics (NAMES, LOCATIONS)				
N/A	No backlog	No backlog	No backlog	No backlog –clinics are serviced by a Provincial service provider for H.CR.W. Urban clinics serviced by GTM

All Schools and Clinics have access to water and sanitation. In some instances water are supplied through boreholes, which may run dry at time.

⁴ Complaints regarding schools and clinics without electricity use to be submitted to GTM by Ward Councilors. No such complaints was received during 2011/12

APPENDICES

ADDENDUM Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Table 175: Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)

Services and Locations	Scale of backlogs	Impact of backlogs
Clinics: Ward 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 16, 17, 18, 19, 21, 22, 24, 25, 26, 28, 29, 30, 31, 32 and 34	Health facilities are far from the mentioned wards and their respective constituencies	The lack of health facilities within reach of the people contribute to a increase in curable diseases
Housing: Ward 1, 2, 4, 5, 13, 14, 18	The mentioned wards have never received housing allocations ever since	Lack of housing impacts on the lives of people in terms of shelter and family relationship
Licensing and Testing Centre: Ward 31 (Lenyenye) and Bolobedu area	The municipality has only two licensing and testing centres	Lack of extra licensing and testing centres in within the jurisdiction of the municipality leads to overcrowding in the existing two centres
Reservoirs: Various wards	Most villages in various wards have a need for new reservoirs and their upgrades	Lack of reservoirs leads to shortage of piped water in villages
Schools (Primary and High): Ward 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 16, 18, 21, 22, 25, 27, 28, 29, 32, 34	There is a great need for new schools (primary and secondary) in the mentioned wards	Lack of schools in the mentioned wards leads to lack of access to education for children and overcrowding in the existing ones
Sports Fields: Wards 1, 4, 7, 8, 9, 11, 12, 15, 16, 17, 19, 21, 24, 25, 26 and 28	There is a need for sport and recreation facilities in the mentioned villages	Lack of sport and recreation facilities leads to young people becoming involved in criminal activities and indulging in substance abuse
Safety and Security: Wards 1, 2, 3, 4, 7, 8, 9, 11, 13, 14, 16, 17, 18, 21, 24, 25, 27, 28, 32 and 34	There is a need for construction of new police stations in the mentioned wards	Lack of police stations leads to escalation of crime in communities

APPENDICES

ADDENDUM R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Table 176: Declaration of Loans and Grants made by the municipality 2011/12

All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2011/12 R' 000	Total Amount committed over previous and future years
SPCA	NPO	Submission of Annual Financial Statements	90 000	90 000
Sports Council	NPO	Submission of Annual Financial Statements	106 644	106 644

ADDENDUM S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

Table 177: MFMA Section 71 Returns Not Made During 2011/12 According to Reporting Requirements

Return	Reason Return has not been properly made on due date
C6-Monthly Budgeted Statement - Financial Position	The Municipality has many transactions, as a result the current financial system cannot be able to produce the required monthly financial statements
C7- Monthly Budgeted Statement - Cash Flow Statement	

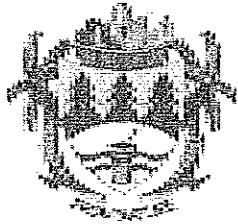
VOLUME II

VOLUME II: ANNUAL FINANCIAL STATEMENTS

Annual Financial Statements attached as **Annexure A**

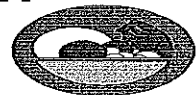
GREATER TZANEEN MUNICIPALITY

LIMPOPO PROVINCE



**AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

AFS Rounding : To the nearest R1



GREATER TZANEEN MUNICIPALITY

CONTACT INFORMATION

Acting Municipal Manager	Mr M E Mankabidi
Telephone Number	015 307 8001
E-mail Address	masiye.mankabidi@tzaneen.gov.za

Chief Financial Officer	Ms N M Lion
Telephone Number	015 307 8060
E-mail Address	norah.lion@tzaneen.gov.za

Provincial Treasury	Nicky Mbungela
Telephone Number	015 291 8534
E-mail Address	MbungelaNN@treasury.gov.za

AGSA	Daniel Tjale
Telephone Number	015 299 4401
E-mail Address	dtjale@agsa.co.za

National Treasury	Thomas Matjeni
Telephone Number	012 315 5792
E-mail Address	thomas.matjeni@treasury.gov.za

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS : 2011/2012

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GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS : 2011/2012

GENERAL INFORMATION

Mayor: Councillor D J Mmetle

Members of the Executive Committee:

	Portfolio
Councillor D J Mmetle	
Councillor C Machimana	Finance
Councillor M Mokgomole	Agriculture & Environment Management
Councillor R Pohl	
Councillor C Nkhwashu	Water Service
Councillor R R Selomo	Infrastructure
Councillor S J Nkuna	Health & Social Development
Councillor B Sekgotodi	Public Transport & Roads
Councillor S M Maunatlala	Economic Development, Housing & Spatial Development Plan
Councillor M R Shingange	Corporate Gov. & Shared Services
Councillor P Machete	Speaker
Councillor M N Mboweni	Chief whip

Members of the Audit Committee:

Mr. T.C.	Modipane	Chairperson
Ms. F.J.	Mudau	Member
Mr. H.G.	Hlomane	Member
Mr. S.A.B	Ngobeni	Member
Adv. S.S.T.	Kholong	Member

Banker:

ABSA
TZANEEN
0850

Legal form of entity South African Local Municipality as defined by the Municipal Structures Act (Act no 117 of 1998)

Nature of business and principal activities Greater Tzaneen Municipality is a local municipality performing the functions as set out in the constitution (Act no 105 of 1996)

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS : 2011/2012

GENERAL INFORMATION (CONTINUES)

GTEDA is a Municipal Agency Performing the Functions consistant with that of an Agency and not that of an Entity

Jurisdiction within which the Municipality operates

The Greater Tzaneen Municipality is situated in the eastern quadrant of the Limpopo Province within the Mopani District Municipality Area of Jurisdiction. It comprises a land area of approximately 3240 km², and extends from Haenertsburg in the west, to Rubbervale in the east (85km), and just south of Modjadjiskloof in the north, to Trichardtsdal in the south(47km).

Physical Address	Greater Tzaneen Municipality Agatha Street Civic Centre Tzaneen 0850
Postal Address	Greater Tzaneen Municipality PO Box 24 Tzaneen 0850
Telephone Number	015 307 8000
Fax Number	015 307 8049
E-Mail Address	masiye.mankabidi@tzaneen.gov.za
Acting Municipal Manager	Masiye Elias Mankabidi: 1 July 2012- 31 August 2012
Chief Financial Officer	Norah Mokgadi Lion: From 1 August 2012
Grading of Greater Tzannen Municipality	Grade 4 : High Capacity

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 June 2012

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 67 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 25 of these financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

I have complied with the disclosure requirements in terms of section 122 to 126 of the Municipal Finance Management Act.


M E Mankabidi
Acting Municipal Manager

Date: 31 August 2012

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

STATEMENT OF FINANCIAL POSITION

	NOTE	2012 R	2011 R
COMMUNITY WEALTH AND LIABILITIES			
Accumulated Surplus /(Deficit)		1 627 889 833	1 794 955 625
LIABILITIES		386 642 251	294 670 122
Non-Current liabilities		199 030 206	160 515 692
Borrowings	1	142 330 562	111 772 556
Non-current Provisions	4	52 764 306	45 229 289
Financial lease liability	2	3 935 338	3 513 847
Current liabilities		187 612 045	134 154 430
Finance lease liability	2	2 753 768	1 696 566
Consumer deposits	3	18 554 112	11 574 824
Provisions	5	2 139 391	1 982 059
Accounts Payable	6	88 933 087	79 307 759
VAT Payable	7	25 738 089	19 236 926
Unspent Conditional Grants and Receipts	8	39 919 997	15 909 094
Current portion of long-term borrowings	1	9 573 601	4 447 202
Total Liabilities		2 014 532 084	2 089 625 747
ASSETS			
Non-current assets		1 793 778 620	1 890 410 765
Intangible Assets	9	49 645	81 545
Investment properties	10	208 608 792	305 491 622
Property, plant and equipment	11	1 561 443 008	1 564 154 969
Held-to-maturity Investments	12	23 677 175	20 682 629
Non-current receivables	13	0	0
Current assets		220 753 464	199 214 982
Inventory	14	10 977 924	10 729 924
Receivables	15	54 562 911	46 593 962
Other receivables	17	104 587 505	116 587 927
Operating lease assets	18	176 954	204 632
Cash and cash equivalents	19	50 277 604	22 198 274
Current portion of long-term receivables	13	170 566	2 900 263
Total Assets		2 014 532 084	2 089 625 747

0

0

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

STATEMENT OF FINANCIAL PERFORMANCE

	NOTE	ACTUAL	
		2012	2011
REVENUE		R	R
Property rates	20	55 727 950	44 684 769
Property rates - penalties imposed and collection charges		3 106 571	3 254 284
Service charges	21	329 306 461	266 937 445
Rental of facilities and equipment		393 210	578 984
Interest earned - external investments		5 159 947	2 307 906
Interest earned - outstanding receivables		13 943 143	14 062 262
Fines		7 009 597	3 110 380
Licences and permits		498 951	413 695
Income for agency services		20 929 065	8 878 626
Government grants and subsidies	22	208 297 060	193 660 678
Other income	23	7 166 071	5 369 070
Public contributions, donated and contributed property, plant & equipment			
		651 538 026	543 258 099
EXPENDITURE			
Employee related costs	24	97 737 149	91 435 963
Remuneration of Councillors	25	16 655 144	15 227 957
Bad debts		12 496 142	21 565 129
Collection costs		667 961	599 575
Loss on inventory		38 856	162 676
Depreciation		99 936 375	99 195 407
Repairs and maintenance	26	90 714 319	100 981 820
Finance cost	27	12 766 508	7 783 516
Impairment of assets		96 882 830	0
Bulk purchases	28	204 802 906	176 451 428
Contracted services	29	28 892 588	26 644 676
Grants and subsidies paid	30	24 560 971	29 898 457
General expenses	31	54 099 844	40 015 485
Total Expenditure		740 173 881	609 962 089
Gain/(loss) on sale of assets	33	3 503	
NET SURPLUS / (DEFICIT) FOR THE YEAR		-88 639 358	-66 703 990

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

STATEMENT OF CHANGES IN NET ASSETS

	Accumulated Surplus/ (Deficit)
	R
2011	
Balance at 30 June 2010	<u>1 370 854 264</u>
Changes in accounting policy	
Correction of prior period error 2010	<u>430 023 266</u>
Restated balance	1 800 877 530
Surplus/(Deficit) on revaluation of PPE	
Depreciation on take-on assets	
Other items	205 475
Transfers to / from accumulated surplus/(deficit)	60 576 610
Surplus/(deficit) for the period	<u>-66 703 990</u>
Balance at 30 June	1 794 955 625
Surplus/(deficit) on revaluation of PPE	
Appropriations	
Transfers to / from accumulated surplus/(deficit)	
Surplus/(deficit) for the period	
Balance at 30 JUNE 2011	<u>1 794 955 625</u>
2012	
	Accumulated Surplus/ (Deficit)
	R
Balance at 30 June 2011	<u>1 794 955 625</u>
Changes in accounting policy	
Correction of prior period error 2010	
Restated balance	1 794 955 625
Surplus/(Deficit) on revaluation of PPE	
Depreciation on take-on assets	
Transfers to / from accumulated surplus/(deficit)	
Surplus/(deficit) for the period	<u>-88 639 358</u>
Balance at 30 June	1 706 316 267
Surplus/(deficit) on revaluation of PPE	
Appropriations	35 005 373
Transfers to / from accumulated surplus/(deficit)	-43 421 061
Surplus/(deficit) for the period	
Balance at 30 JUNE 2012	<u>1 627 889 833</u>

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

CASH FLOW STATEMENT

	NOTE	2012 R	2011 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		620 510 257	524 208 053
Cash paid to suppliers and employees		-598 995 848	-514 388 160
Cash generated from operations	34	21 514 409	9 817 893
Interest received		19 103 090	16 370 168
Interest paid		-12 766 508	-7 783 516
NET CASH FROM OPERATING ACTIVITIES		27 850 991	18 404 545
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-39 440 807	-62 378 191
Proceeds on disposal of property plant & equipment			0
Increase/(Decrease) in non-current receivables			0
Increase/(Decrease) in non current investments		-2 994 546	-2 755 094
NET CASH FROM INVESTING ACTIVITIES		-42 435 353	-65 133 285
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised / (repaid)		35 684 404	68 170 170
Increase in consumer deposits		6 979 288	4 916 268
NET CASH FROM FINANCING ACTIVITIES		42 663 692	73 086 438
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		28 079 330	26 357 698
Cash and cash equivalents at the beginning of the year		22 198 274	-4 169 424
Cash and cash equivalents at the end of the year	19	50 277 604	22 198 274

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below and are consistent with those of the previous financial year.

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless specified otherwise.

The Annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practices (GRAP) Issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003)

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy. Accounting policies are consistent with the previous periods

1.2 Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The municipality assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Allowance for slow moving, damaged and obsolete stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management have made estimates of the selling price and direct cost to sell on certain inventory items. The write down is included in the operation surplus note.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including production estimates, supply demand, together with economic factors such as inflation interest and economic conditions.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note - Provisions.

Post-retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

ACCOUNTING POLICIES

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the municipality considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note .

Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.3 PRESENTATION CURRENCY

These annual financial statement are presented in South African rand, which is the functional currency of the municipality.

1.4 GOING CONCERN ASSUMPTION

The annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months. (Refer to note 45 for managements assessment of going concern).

1.5 COMPARITIVE INFORMATION

1.5.1 Current Year Comparatives

Budgeted amounts have been included in the annual financial statements for the current financial year only.

1.5.2 Prior Year Comparatives

When the presentation or classification of items in the annual financial statements are amended, prior period comparative amounts are reclassified.

2 PROPERTY, PLANT AND EQUIPMENT

2.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the asset on the date acquired.

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally assessed standard of performance, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended are examples of subsequent expenditure which should be capitalised.

2.2 Property, plant and equipment

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

ACCOUNTING POLICIES

Depreciation is calculated on cost, using the straight-line method, over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated useful lives.

A more appropriate useful life can also be motivated by the department purchasing the asset, and the useful life is approved by the Financial Manager

INFRASTRUCTURE	YEARS
Roads and Paving	30
Pedestrian Malls	30
Electricity	20 - 30
Water	15 - 20
Sewerage	15 - 20
Housing	30
COMMUNITY	
Improvements	30
Recreational Facilities	20 - 30
Security	5
OTHER	
Buildings	30
Specialist Vehicles	10
Other Vehicles	5
Office Equipment	3 - 7
Furniture and fittings	7 - 10
Watercraft	15
Bins and containers	5
Specialised plant and equipment	10 - 15
Other items of plant and equipment	2 - 5

Heritage assets, which are defined as culturally significant resources, are not depreciated as they are regarded as having an indefinite life. Land is also not depreciated for the same reason.

Incomplete construction work is stated at historic cost. Depreciation only commences when the asset is commissioned into use.

2.4 Derecognition

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3 Intangible Assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

An intangible asset is recognised when:

- It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. An intangible asset acquired at no or nominal cost, the cost shall be its fair value as at the date of acquisition. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- It will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

ACCOUNTING POLICIES

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential.

Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Expenditure, which enhances and extends the benefits of computer software programs beyond the original life of the software is capitalised. Computer software development costs recognised as assets are amortised using the straight line method over their useful lives. Costs associated with the maintenance of existing computer software programs are expensed as incurred.

Research and development expenditure is written off as incurred. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item Useful life

Computer software 2 - 8 years

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired at no cost or for a nominal cost, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality apply the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

ACCOUNTING POLICIES

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

4 FINANCIAL INSTRUMENTS

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

cash;

a residual interest in another entity; or
a contractual right to:

- receive cash or another financial asset from another entity; or

- exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

deliver cash or another financial asset to another entity; or

exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

ACCOUNTING POLICIES

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:
the entity designates at fair value at initial recognition; or
are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:
combined instruments that are designated at fair value;
instruments held for trading. A financial instrument is held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost
Trade and other receivables from non exchange transactions	Financial asset measured at amortised cost
Consumer Debtors	Financial asset measured at amortised cost
Trade and other receivables from exchange transactions	Financial asset measured at amortised cost
Long term receivables	Financial asset measured at amortised cost
Non current investment (shares)	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Borrowings	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost
Consumer deposits	Financial liability measured at fair value

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value (if subsequently measured at fair value).

The entity first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the entity analyses a concessionary loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non exchange revenue, in accordance with the Standard of GRAP on Revenue from Non exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

ACCOUNTING POLICIES

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- combined instrument that is required to be measured at fair value; or
- an investment in a residual interest that meets the requirements for reclassification.

Where the entity cannot reliably measure the fair value of an embedded derivative that has been separated from a host contract that is a financial instrument at a subsequent reporting date, it measures the combined instrument at fair value. This requires a reclassification of the instrument from amortised cost or cost to fair value.

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

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ACCOUNTING POLICIES

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

5 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

6 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

7 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

8 PROVISIONS

Provisions are recognised when the municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

9 LEASES

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayments using effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease.

Property, plant and equipment subject to finance lease agreements are capitalised at their cash equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life.

ACCOUNTING POLICIES

10 REVENUE RECOGNITION

10.1 Revenue from exchange transactions

Revenue from exchange transaction refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

10.1.1 Revenue arising from application of the approved tariff of changes is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licenses and permits.

10.1.2 Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and revenue is recognized when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed and are based on the consumption history. The provisional estimates of consumption are recognized as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period when meters have been read. These adjustments are recognized as revenue in the invoicing period.

10.1.3 Service charges relating to solid waste, sanitation and sewerage are levied monthly in terms of the approved tariffs.

10.1.4 Interest earned on investments is recognised in the statement of financial performance on a time proportionate basis that takes into account the effective yield on the investment.

10.1.5 Dividends are recognized when the municipality's right to receive payment is established.

10.1.6 Revenue from the sale of goods is recognized when all the following condition has been satisfied:

The municipality has transferred to the buyer the significant risk and rewards of ownership of the goods.

The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

The amount of revenue can be measured reliably.

It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality.

10.2 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the municipality can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non exchange transactions are transactions that are not exchange transactions. In a non exchange transaction, a municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non exchange transactions, other than taxes.

Recognition

An inflow of resources from a non exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

When, as a result of a non exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

ACCOUNTING POLICIES

Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Bequests

Bequests that satisfy the definition of an asset are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality, and the fair value of the assets can be measured reliably.

Gifts and donations, including goods in kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

11 INVENTORIES

Inventories consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the first in, first out method, and net realisable value. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Cost of inventories comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Redundant and slow moving inventories are identified and written down with regard to their cost. Consumables are written down according to their age, condition and utility.

Stands available for sale during the next 12 months are recognised as inventory.

12 CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with all of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. The liability is transferred to revenue as and when the conditions attached to the grants are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

13 SEGMENTAL INFORMATION

Segmental information on Property, Plant and Equipment as well as income and expenditure is set out in Appendix C and D based on the budget formats prescribed by National Treasury. The municipality operates solely in its area of jurisdiction as determined by the Demarcation Board.

14 VALUE ADDED TAX

The Municipality accounts for Value Added Tax on the payment basis.

15 EMPLOYEES BENEFITS

Employee benefits are all forms of consideration given by a municipality in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting municipality, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting municipality's own creditors (even in liquidation) and cannot be paid to the reporting municipality, unless either:

the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
the proceeds are returned to the reporting municipality to reimburse it for employee benefits already paid.

Termination benefits are employee benefits payable as a result of either:

an municipality's decision to terminate an employee's employment before the normal retirement date; or
an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long term employee benefits are employee benefits (other than post employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

ACCOUNTING POLICIES

Composite social security programmes are established by legislation and operate as multi employer plans to provide post employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.

A constructive obligation is an obligation that derives from an municipality's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short term employee benefits include items such as:

- wages, salaries and social security contributions;
- short term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs. The municipality measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognises the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post employment benefits

Post employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post employment benefit plans are formal or informal arrangements under which a municipality provides post employment benefits for one or more employees.

Post employment benefits: Defined contribution plans

Defined contribution plans are post employment benefit plans under which a municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, a municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Post employment benefits: Defined benefit plans

Defined benefit plans are post employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long term employee benefit fund are assets (other than non transferable financial instruments issued by the reporting municipality) that are held by a municipality (a fund) that is legally separate from the reporting municipality and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting municipality's own creditors (even in liquidation), and cannot be returned to the reporting municipality, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting municipality; or
- the assets are returned to the reporting municipality to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

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Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post employment benefits or other long term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The municipality accounts not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the municipality's informal practices. Informal practices give rise to a constructive obligation where the municipality has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the municipality's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The municipality determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

The municipality recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, a municipality shall attribute benefit on a straight line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The municipality recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the municipality re-measures the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is (OR is not) presented as the net of the amount recognised for a reimbursement.

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The municipality offsets an asset relating to one plan against a liability relating to another plan when the municipality has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post employment benefit obligations.

Post employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

16. CONTINGENCIES

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 42.

17 IMPAIRMENT OF CASH-GENERATING ASSETS

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the municipality; or
- the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

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If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

the future cash inflows used to determine the asset's or cash-generating unit's value in use; and

the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

its fair value less costs to sell (if determinable);

its value in use (if determinable); and

zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Reversal of impairment loss

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

its recoverable amount (if determinable); and

the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

ACCOUNTING POLICIES

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

the period of time over which an asset is expected to be used by the municipality; or

the number of production or similar units expected to be obtained from the asset by the municipality.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Value in use

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Service units approach

The present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. The current cost of replacing the remaining service potential of the asset before impairment is determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

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Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

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NEW STANDARDS AND INTERPRETATIONS

Standards and Interpretations Issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2012 or later periods:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the municipality. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the municipality's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality expects to adopt the standard for the first time in the 2014 financial statements. It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 23: Revenue from Non-exchange Transactions

Revenue from non-exchange transactions arises when an entity receives value from another entity without directly giving approximately equal value in exchange. An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition.

This revenue will be measured at the amount of increase in net assets recognised by the municipality.

An inflow of resources from a non-exchange transaction recognised as an asset shall be recognised as revenue, except to the extent that a liability is recognised for the same inflow. As an entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it will reduce the carrying amount of the liability recognised as recognise an amount equal to that reduction.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 24: Presentation of Budget Information in the Financial Statements

Subject to the requirements of paragraph .19, an entity shall present a comparison of the budget amounts for which it is held publicly accountable and actual amounts either as a separate additional financial statement or as additional budget columns in the financial statements currently presented in accordance with Standards of GRAP. The comparison of budget and actual amounts shall present separately for each level of legislative oversight:

- the approved and final budget amounts;
- the actual amounts on a comparable basis; and
- by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

Where an entity prepares its budget and financial statements on a comparable basis, it includes the comparison as an additional column in the primary financial statements. Where the budget and financial statements are not prepared on a comparable basis, a separate statement is prepared called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the financial statements adjusted to be comparable to the budget.

A comparable basis means that the budget and financial statements:

- are prepared using the same basis of accounting i.e. either cash or accrual;
- include the same activities and entities;
- use the same classification system; and
- are prepared for the same period.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 financial statements.

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It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 103: Heritage Assets

GRAP 103 defines heritage assets as assets which have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Certain heritage assets are described as inalienable items thus assets which are retained indefinitely and cannot be disposed of without consent as required by law or otherwise.

A heritage asset should be recognised as an asset only if:

- it is probable that future economic benefits or service potential associated with the asset will to the municipality; and
- the cost of fair value of the asset can be measured reliably.

The standard required judgment in applying the initial recognition criteria to the specific circumstances surrounding the entity and the assets.

GRAP 103 states that a heritage asset should be measured at its cost unless it is acquired through a non-exchange transaction which should then be measured at its fair value as at the date of acquisition.

In terms of the standard, an entity has a choice between the cost and revaluation model as accounting policy for subsequent recognition and should apply the chosen policy to an entire class of heritage assets.

The cost model requires a class of heritage assets to be carried at its cost less any accumulated impairment losses.

The revaluation model required a class of heritage assets to be carried at its fair value at the date of the revaluation less any subsequent impairment losses. The standard also states that a restriction on the disposal of a heritage asset does not preclude the entity from determining the fair value.

GRAP 103 prescribes that when determining the fair value of a heritage asset that has more than one purpose, the fair value should reflect both the asset's heritage value and the value obtained from its use in the production or supply of goods or services or for administrative purposes.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase should be credited directly to a revaluation surplus. However, the increase should be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit. If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease should be recognised in surplus or deficit. However, the decrease should be debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

GRAP 103 states that a heritage asset should not be depreciated but an entity should assess at each reporting date whether there is an indication that it may be impaired.

In terms of the standard, compensation from third parties for heritage assets that have been impaired, lost or given up, should be included in surplus or deficit when the compensation becomes receivable.

For a transfer from heritage assets carried at a revalued amount to property, plant and equipment, investment property, inventories or intangible assets, the asset's deemed cost for subsequent accounting should be its revalued amount at the date of transfer. The entity should treat any difference at that date between the carrying amount of the heritage asset and its fair value in the same way as a revaluation in accordance with this Standard. If an item of property, plant and equipment or an intangible asset carried at a revalued amount, or investment property carried at fair value is reclassified as a heritage asset carried at a revalued amount, the entity applies the applicable Standard of GRAP to that asset up to the date of change. The entity treats any difference at that date between the carrying amount of the asset and its fair value in accordance with the applicable Standard of GRAP relating to that asset. For a transfer from investment property carried at fair value, or inventories to heritage assets at a revalued amount, any difference between the fair value of the asset at that date and its previous carrying amount should be recognised in surplus or deficit.

The carrying amount of a heritage asset should be derecognised:
on disposal, or

when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset should be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 21: Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

An municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, an entity estimates the recoverable service amount of the asset.

The present value of the remaining service potential of a non-cash-generating asset is determined using one of the following approaches:

Depreciated replacement cost approach

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Restoration cost approach

Service units approach

asset is reduced to its recoverable service amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, an entity estimates the recoverable service amount of that asset.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance.

The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 26: Impairment of cash-generating assets

Cash-generating assets are those assets held by an municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

An entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, an municipality estimates the recoverable amount of the asset. When estimating the value in use of an asset, an municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and an municipality applies the appropriate discount rate to those future cash flows.

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit. Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, an municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, an entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

the future cash inflows used to determine the asset's or cash-generating unit's value in use; and

the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

An municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, an municipality estimates the recoverable amount of that asset.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance.

The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

GRAP 25: Employee benefits

The objective of GRAP25 is to prescribe the accounting and disclosure for employee benefits. The Standard requires an municipality to recognise:

a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and

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an expense when an municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

GRAP25 must be applied by an employer in accounting for all employee benefits, except share based payment transactions.

GRAP25 defines, amongst others, the following:

Employee benefits as all forms of consideration given by an municipality in exchange for service rendered by employees;

Defined contribution plans as post-employment benefit plans under which an municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior

Defined benefit plans as post-employment benefit plans other than defined contribution plans;

Multi-employer plans as defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that:

- pool the assets contributed by various entities that are not under common control; and
- use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the municipality that employs the employees concerned;

Other long-term employee benefits as employee benefits (other than post-employment benefits and termination benefits) that is not due to be settled within twelve months after the end of the period in which the employees render the related service;

Post-employment benefits as employee benefits (other than termination benefits) which are payable after the completion of employment;

Post-employment benefit plans as formal or informal arrangements under which an municipality provides post-employment benefits for one or more employees;

Short-term employee benefits as employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service;

State plans as plans other than composite social security programmes established by legislation which operate as if they are multi-employer plans for all entities in economic categories laid down in legislation;

Termination benefits as employee benefits payable as a result of either:

- an entity's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits;

Vested employee benefits as employee benefits that are not conditional on future employment.

The standard states the recognition, measurement and disclosure requirements of:

Short-term employee benefits;

-All short-term employee benefits;

-Short-term compensated absences;

-Bonus, incentive and performance related payments;

Post-employment benefits: Defined contribution plans;

Other long-term employee benefits;

Termination benefits.

The standard states Post-employment benefits: Distinction between defined contribution plans and defined benefit plans:

Multi-employer plans;

Defined benefit plans where the participating entities are under common control;

State plans;

Composite social security programmes;

Insured benefits.

The standard states, for Post-employment benefits: Defined benefit plans, the following requirements:

Recognition and measurement;

Presentation;

Disclosure;

Accounting for the constructive obligation;

Statement of financial position;

Asset recognition ceiling;

Asset recognition ceiling: When a minimum funding requirement may give rise to a liability;

Statement of financial performance.

The standard prescribes recognition and measurement for:

Present value of defined benefit obligations and current service cost:

-Actuarial valuation method;

-Attributing benefits to periods of service;

-Actuarial assumptions;

-Actuarial assumptions: Discount rate;

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- Actuarial assumptions: Salaries, benefits and medical costs;
 - Actuarial gains and losses;
 - Past service cost.
- Plan assets:

- Fair value of plan assets;
- Reimbursements;
- Return on plan assets.

The standard also deals with Entity combinations and Curtailments and settlements.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality expects to adopt the standard for the first time in the 2014 financial statements.

The impact of this standard is currently being assessed.

GRAP 104: Financial Instruments

The standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments. Financial instruments are defined as those contracts that results in a financial asset in one municipality and a financial liability or residual interest in another municipality. A key distinguishing factor between financial assets and financial liabilities and other assets and liabilities, is that they are settled in cash or by exchanging financial instruments rather than through the provision of goods or services.

One of the key considerations in initially recognising financial instruments is the distinction, by the issuers of those instruments, between financial assets, financial liabilities and residual interests. Financial assets and financial liabilities are distinguished from residual interests because they involve a contractual right or obligation to receive or pay cash or another financial instrument. Residual interests entitle an municipality to a portion of another municipality's net assets in the event of liquidation and, to dividends or similar distributions paid at management's discretion.

In determining whether a financial instrument is a financial asset, financial liability or a residual interest, an municipality considers the substance of the contract and not just the legal form.

Where a single instrument contains both a liability and a residual interest component, the issuer allocates the instrument into its component parts. The issuer recognises the liability component at its fair value and recognises the residual interest as the difference between the carrying amount of the instrument and the fair value of the liability component. No gain or loss is recognised by separating the instrument into its component parts.

Financial assets and financial liabilities are initially recognised at fair value. Where an municipality subsequently measures financial assets and financial liabilities at amortised cost or cost, transactions costs are included in the cost of the asset or liability.

The transaction price usually equals the fair value at initial recognition, except in certain circumstances, for example, where interest free credit is granted or where credit is granted at a below market rate of interest.

Concessionary loans are loans either received by or granted to another municipality on concessionary terms, e.g. at low interest rates and flexible repayment terms. On initial recognition, the fair value of a concessionary loan is the present value of the agreed contractual cash flows, discounted using a market related rate of interest for a similar transaction. The difference between the proceeds either received or paid and the present value of the contractual cash flows is accounted for as non-exchange revenue by the recipient of a concessionary loan in accordance with Standard of GRAP on Revenue from Non-exchange Revenue Transactions (Taxes and Transfers), and using the Framework for the Preparation and Presentation of Financial Statements (usually as an expense) by the grantor of the loan.

Financial assets and financial liabilities are subsequently measured either at fair value or, amortised cost or cost. An municipality measures a financial instrument at fair value if it is:

- a derivative;
- a combined instrument designated at fair value, i.e. an instrument that includes a derivative and a non-derivative host contract;
- held-for-trading;
- a non-derivative instrument with fixed or determinable payments that is designated at initial recognition to be measured at fair value;
- an investment in a residual interest for which fair value can be measured reliably; and
- other instruments that do not meet the definition of financial instruments at amortised cost or cost.

Derivatives are measured at fair value. Combined instruments that include a derivative and non-derivative host contract are accounted for as follows:

Where an embedded derivative is included in a host contract which is a financial instrument within the scope of this Standard, an entity can designate the entire contract to be measured at fair value or, it can account for the host contract and embedded derivative separately using GRAP 104. An municipality is however required to measure the entire instrument at fair value if the fair value of the derivative cannot be measured reliably.

Where the host contract is not a financial instrument within the scope of this Standard, the host contract and embedded derivative are accounted for separately using GRAP 104 and the relevant Standard of GRAP.

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Financial assets and financial liabilities that are non-derivative instruments with fixed or determinable payments, for example deposits with banks, receivables and payables, are measured at amortised cost. At initial recognition, an municipality can however designate such an instrument to be measured at fair value.

An municipality can only measure investments in residual interests at cost where the fair value of the interest cannot be determined reliably.

Once an municipality has classified a financial asset or a financial liability either at fair value or amortised cost or cost, it is only allowed to reclassify such instruments in limited instances.

An entity derecognises a financial asset, or the specifically identified cash flows of an asset, when:

- the cash flows from the asset expire, are settled or waived;
- significant risks and rewards are transferred to another party; or
- despite having retained significant risks and rewards, an municipality has transferred control of the asset to another municipality.

An municipality derecognises a financial liability when the obligation is extinguished. Exchanges of debt instruments between a borrower and a lender are treated as the extinguishment of an existing liability and the recognition of a new financial liability. Where an municipality modifies the term of an existing financial liability, it is also treated as the extinguishment of an existing liability and the recognition of a new liability.

An municipality cannot offset financial assets and financial liabilities in the statement of financial position unless a legal right of set-off exists, and the parties intend to settle on a net basis.

GRAP 104 requires extensive disclosures on the significance of financial instruments for an municipality's statement of financial position and statement of financial performance, as well as the nature and extent of the risks that an municipality is exposed to as a result of its financial statements. Some disclosures, for example the disclosure of fair values for instruments measured at amortised cost or cost and the preparation of a sensitivity analysis, are encouraged rather than required.

GRAP 104 does not prescribe principles for hedge accounting. An municipality is permitted to apply hedge accounting, as long as the principles in IAS 39 are applied.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2012.

The municipality expects to adopt the standard for the first time in the 2013 financial statements.

The impact of this amendment is currently being assessed.

IGRAP 7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

This Interpretation of the Standards of GRAP applies to all post-employment defined benefits and other long-term employee defined benefits.

For the purpose of this Interpretation of the Standards of GRAP, minimum funding requirements are any requirements to fund a post-employment or other long-term defined benefit plan.

The issues addressed in this Interpretation of the Standards of GRAP are:

- When refunds or reductions in future contributions should be regarded as available in accordance with paragraph .68 of the Standard of GRAP on Employee Benefits.

- How a minimum funding requirement might affect the availability of reductions in future contributions

The Interpretation of the Standards of GRAP addresses accounting by the entity that grants award credits to its customers.

The effective date of the interpretation is for years beginning on or after 01 April 2013.

The municipality expects to adopt the interpretation for the first time in the 2014 financial statements.

The municipality is unable to reliably estimate the impact of the amendment on the financial statements.

GRAP 105: Transfers of functions between entities under common control

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control. It requires an acquirer and a transferor that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying the acquirer and transferor, Determining the transfer date, Assets acquired or transferred and liabilities assumed or relinquished, Accounting by the acquirer and transferor, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 financial statements.

It is unlikely that the amendment will have a material impact on the municipality's financial statements.

GRAP 106: Transfers of functions between entities not under common control

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The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 financial statements.

It is unlikely that the amendment will have a material impact on the municipality's financial statements.

GRAP 107: Mergers

The objective of this Standard is to establish accounting principles for the acquirer in a transfer of functions between entities not under common control. It requires an entity that prepares and presents financial statements under the accrual basis of accounting to apply this Standard to a transaction or other event that meets the definition of a transfer of functions. It includes a diagram and requires that entities consider the diagram in determining whether this Standard should be applied in accounting for a transaction or event that involves a transfer of functions or merger.

It furthermore covers Definitions, Identifying a transfer of functions between entities not under common control, The acquisition method, Recognising and measuring the difference between the assets acquired and liabilities assumed and the consideration transferred, Measurement period, Determining what is part of a transfer of functions, Subsequent measurement and accounting, Disclosure, Transitional provisions as well as the Effective date of the standard.

The effective date of the standard is for years beginning on or after 01 April 2014.

The municipality expects to adopt the standard for the first time in the 2015 financial statements.

It is unlikely that the amendment will have a material impact on the municipality's financial statements.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

An entity that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.

An entity is related to the reporting entity if any of the following conditions apply:

- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
- one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
- both entities are joint ventures of the same third party;
- one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
- the entity is controlled or jointly controlled by a person identified in (a); and

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NEW STANDARDS AND INTERPRETATIONS

-a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;

- Related party transactions; and
- Remuneration of management

The effective date of the standard is for years beginning on or after 01 April 2013.

The municipality expects to adopt the standard for the first time in the 2014 financial statements.

It is unlikely that the standard will have a material impact on the municipality's financial statements.

The aggregate impact of the initial application of the statements and interpretations on the municipality's financial statements is expected to be as follows:

Notes to be added

Changes in accounting policy

The financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice on a basis consistent with the prior year except for the withdrawal of the following new or revised standards as per Directive 5 as issued by the Accounting Standard Board and for the adoption of the following new or revised standards.

IAS 32 Financial Instruments: Presentation withdrawn.

IAS 39 Financial instruments: Recognition and Measurement withdrawn.

IFRS 7 Financial Instruments: Disclosures withdrawn.

IAS 19 Employee Benefits withdrawn.

Formulated a policy within Accounting Policies of the AFS for Financial Instruments based on GRAP 104.

Formulated a policy within Accounting Policies of the AFS for Impairments based on GRAP 21 and GRAP 26.

Formulated a policy within Accounting Policies of the AFS for Employee Benefits based on GRAP 25.

Formulated a policy within Accounting Policies of the AFS for Non exchange Transactions based on GRAP 23.

GREATER TZANEEN MUNICIPALITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1 BORROWINGS	2012	2011
Held at amortised cost		
Annuity Loan Standard bank	21 011 252	0
Annuity Loan Standard bank	13 281 875	0
Annuity Loan DBSA	40 373 580	35 010 350
Annuity Loans ABSA	32 527 144	34 780 000
Annuity Loan INCA	18 140 312	19 829 408
Sinking Fund ABSA	11 600 000	11 600 000
DBSA Local Registered Stock Loan	15 000 000	15 000 000
Sub-total	151 904 163	116 219 758
Less : Current portion transferred to current liabilities	9 573 601	4 447 202
Annuity Loan Standard bank	2 019 656	0
Annuity Loan Standard bank	2 121 918	0
Annuity Loans ABSA	2 498 154	2 187 262
Annuity Loan INCA	1 947 208	1 719 096
Annuity Loan DBSA	985 657	540 844
Total External Loans	142 330 562	111 772 556

Refer to Appendix A for more detail on long-term liabilities

Annuity Loan Standard bank

This loan has been split into two allocations of R21,011 million and R13,281 million and was taken up on 30 June 2012. These loans bear interest at rates of 11,8% and 10,98% respectively and will be fully redeemed on 30 June 2019 and 30 June 2017 respectively.

Annuity Loan DBSA

a loan of R 41 million of which R 35 010 350 has been allocated during the 2010 2011 financial year was taken up to finance capital projects. This loan bears interest at a rate of 6,75% per annum and will be fully redeemed on 31 October 2030

Annuity Loans ABSA

This loan has been split into two allocations of R25,140 million and R8,640 million and was taken up on 15 August 2010. These loans bear interest at rates of 10,62% and 8,75% respectively and will be fully redeemed on 31 July 2026 and 31 July 2015 respectively.

Annuity Loans INCA

Bear interest at a rate of 12,5% per annum and will be fully redeemed on 31 December 2018.

This loan has been taken up to finance the purchase of land.

Sinking Fund : ABSA

An investment of R6 982 292 has been made with BOE to repay a loan of R20 000 000 on maturity date. The loan bears interest on a variable rate and the value of the investment amounts to R19 890 829. The BOE investment has been ceded to ABSA

Excelsior 1000 Investment

An investment of R855 619 has been made with Liberty to repay a loan of R15 million on maturity date. The loan bears interest on variable rate and the value of the investment amounts to R3 786 347.

None of the loans are secured by any fixed or movable asset of the Greater Tzaneen Municipality.

The Municipality did not default on any of the borrowings in respect of Capital or interest portions

No terms attached to the borrowings were re-negotiated.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2 FINANCE LEASE LIABILITY

	Minimum lease payment R	Future finance charges R	Present value of minimum lease payment R
30 June 2012			
Within one year	3 238 489		2 753 768
Within two to five years	4 321 914		3 935 338
	<u>7 560 403</u>	<u>874 298</u>	<u>6 689 106</u>
Current Liabilities			2 753 768
Non-Current Liabilities			<u>3 935 338</u>
			<u>6 689 106</u>

The lease terms are between 3 years and 5 years. Interest rates are fixed at the contract date. Some leases have fixed repayment terms and others escalate. No arrangement has been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased assets.

The Municipality did not default on any of the interest or capital repayments of the finance leases.

No terms and conditions of the finance leases were re-negotiated.

	Minimum lease payment R	Future finance charges R	Present value of minimum lease payment R
30 June 2011			
Within one year	2 121 024		1 696 566
Within two to five years	3 990 363		3 513 847
	<u>6 111 387</u>	<u>900 973</u>	<u>5 210 413</u>
Current Liabilities			1 696 566
Non-Current Liabilities			<u>3 513 847</u>
			<u>5 210 413</u>

The lease terms are between 3 years and 5 years. Interest rates are fixed at the contract date. Some leases have fixed repayment terms and others escalate. No arrangement has been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased assets.

The Municipality did not default on any of the interest or Capital repayments of

No terms and conditions of the finance leases were re-negotiated.

3 CONSUMER DEPOSITS

	2012 R	2011 R
Electricity	18 554 112	11 574 824
Total Consumer Deposits	<u>18 554 112</u>	<u>11 574 824</u>
Guarantees held in lieu of Electricity Deposits	<u>3 024 630</u>	<u>2 892 630</u>

4 NON-CURRENT PROVISIONS

Non-current provision	<u>52 764 306</u>	<u>45 229 289</u>
Provision for rehabilitation of landfill site	<u>2 611 550</u>	<u>2 374 136</u>
Balance at beginning of the year	2 374 136	2 158 305
Contributions to provision	237 414	215 831
Balance at end of the year	<u>2 611 550</u>	<u>2 374 136</u>

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation, discounted at 10% over an average period of 20 years. The due date of this provision is June 2027.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Provision for long service awards	<u>5 588 929</u>	<u>4 720 463</u>
Current -service cost	624 374	647 144
Interest cost	344 010	349 855
Actuarial (gain)/loss recognised in P&L	407 080	234 627
Net periodic cost recognised in P&L	<u>1 375 463</u>	<u>1 231 626</u>
Expected employer benefit vestings	507 017	810 384
Transitional liability recognised outside P&L	<u>4 720 463</u>	<u>4 289 221</u>
Closing Balance	<u>5 588 929</u>	<u>4 720 463</u>

Long service awards relates to the legal obligation to provide for long service leave awards. An actuarial valuation has been performed on all 684 employees that are entitled to long service leave awards on 30 June 2012. The long service leave awards liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability.

Provision for post - employment health care benefits	<u>44 563 827</u>	<u>38 134 690</u>
Current -service cost	2 311 975	1 693 663
Interest cost	3 257 879	2 411 292
Actuarial (gain)/loss recognised in P&L	1 855 602	8 310 134
Net periodic cost recognised in P&L	<u>7 425 456</u>	<u>12 415 089</u>
Expected employer benefit payments	1 088 319	846 316
Transitional liability recognised outside P&L	<u>38 134 690</u>	<u>28 565 919</u>
Closing Balance	<u>44 563 827</u>	<u>38 134 690</u>

The post-employment health care benefits valuation considers all employees, retired employees and their dependants who participate in the health care arrangements and are entitled to a post-employment medical scheme subsidy. The post-employment health care liability is not a funded arrangement, i.e. no separate assets have been set aside to meet this liability. The effective date of the valuation is 30 June 2012.

Summary of the eligible in-service membership. (Post-employment health care benefits)

	Female	Male	Total
Number of principal members	118	150	268
Number of Eligible Non-Members	97	181	278
Average age	39.4	45.4	43.0
Average past service	6.7	10.7	9.1
Average no. of dependants	1.6	1.8	1.7

Summary of continuation membership. (Post-employment health care benefit)

	Female	male	Total
Number of principal members	16.0	23.0	39.0
Average age of members	71.0	70.4	70.6
Average no. of dependants	0.1	0.7	0.4
Average employer contribution	R 2 122	R 3 120	R 2 711

In-service members will receive a post-employment subsidy of 60% of the contribution payable. Continuation members receive either a 60% subsidy or a 70% subsidy. Upon a member's death-in-service or death-in-retirement, the surviving dependants will continue to receive the same percentage subsidy.

Summary of the key financial assumptions. (Post-employment health care benefit)

Assumption	Value p.a
Discount rate	8.03%
Health care cost inflation rate	6.99%
Net effective discount rate	0.97%

	2012	2011
	R	R
5 CURRENT PROVISIONS		
Performance bonus	<u>2 139 391</u>	<u>1 982 059</u>
	<u>2 139 391</u>	<u>1 982 059</u>

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Performance bonuses accrue to Section 57 Managers and Managers on annual basis subject to certain conditions. The provision is an estimate of the amount due at the reporting date to staff.

Performance bonuses are paid one year in arrears as the assessment of eligible employees had not taken place at the end of the reporting period.

Performance bonuses are measured at face value as it is expected that these would be paid shortly after the financial year end once performance evaluations have been completed.

	<u>Performance Bonus</u>	<u>Performance Bonus</u>
Balance at beginning of year	1 982 059	1 845 782
Performance bonuses paid	(199 843)	(39 062)
Contributions to provision	357 176	175 339
Balance at the end of year	<u>2 139 391</u>	<u>1 982 059</u>

6 ACCOUNTS PAYABLE

Trade creditors	53 505 256	53 849 097
Payments received in advance	6 248 343	4 850 007
13th Cheque	4 060 408	3 022 961
Staff leave	5 817 207	4 884 488
Retention	8 169 957	8 922 094
Unknown direct deposits	10 372 910	3 228 586
Other creditors	769 006	570 546
Total Creditors	<u>88 933 087</u>	<u>79 307 759</u>

The Municipality did not default on any of the accounts payable in respect of capital or interest portions.

No terms attached to the accounts payable were re-negotiated.

7 VAT

Net VAT payables	<u>25 738 089</u>	<u>19 236 926</u>
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VAT is payable on the payments basis. Only once payment is received from debtors and payments made to suppliers, is VAT paid over to SARS.

8 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional Grants from other spheres of Government	39 919 997	15 909 094
Grants RSC & Other	39 919 997	15 909 094
Total Conditional Grants and Receipts	<u>39 919 997</u>	<u>15 909 094</u>

These amounts are invested in a ring-fenced short-term deposits until utilised.

Refer to note 22 for a detailed breakdown of all unspent conditional grants.

**GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note 9

Intangible Assets

	2 012	Accumulated amortisation	Carrying value	2 011	Accumulated amortisation	Carrying value
Cost / Valuation						
Computer software	99 467	49 822	49 645	81 545	0	81 545

Reconciliation of Intangible Assets – 2012

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	98 184	1 283	0	0	49 822	49 644

Reconciliation of Intangible Assets – 2011

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	0	98 184	0	0	16 639	81 545

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note 10 Investment property

	2 012		2 011	
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation
Investment property	208 608 792	0	208 608 792	305 491 622
				Accumulated depreciation
				0
				Carrying value
				305 491 622

Reconciliation of investment property – 2012

	Opening balance	Unbundling of land	Disposals	Transfers	Depreciation	Total
Investment property	305 491 622	0	-96 882 830	0	0	208 608 792

Reconciliation of investment property – 2011

	Opening balance	Unbundling of land	Disposals	Transfers	Depreciation	Total
Investment property	158 016 830	147 474 792	0	0	0	305 491 622

	2 012		2 011	
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation
Fair value of investment properties	208 608 792			305 491 622

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The GTM valuation is based on the valuation roll and is reviewed every four years.

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Note 11

PROPERTY, PLANT AND EQUIPMENT

	COST			ACCUMULATED DEPRECIATION				BUDGET ADDITIONS 2011
	OPENING BALANCE	ADDITIONS	UNDER CONSTRUCTION	BALANCE UNDER CONSTRUCTION	DISPOSALS	TRANSFERRED OUT	CLOSING BALANCE	
2012								
Infrastructure	1 652 329 473	13 609 015					1 218 523 035	
Community Assets	80 930 173						68 131 143	
Land	142 015 771						142 015 771	
Other Assets	31 698 228	27 342 957					43 588 284	
Finance Lease Assets	18 555 686	4 213 992					7 038 573	
Total carried forward	1 925 483 331	44 928 551					1 477 348 036	
Work in progress	31 639 240	65 906 337					84 098 148	
Total carried forward	1 957 108 571	44 928 551					1 561 446 185	

	COST			ACCUMULATED DEPRECIATION				BUDGET ADDITIONS 2011
	OPENING BALANCE	ADDITIONS	UNDER CONSTRUCTION	BALANCE UNDER CONSTRUCTION	DISPOSALS	TRANSFERRED OUT	CLOSING BALANCE	
2011								
Infrastructure	1 595 137 472	59 128 236					1 293 742 718	
Community Assets	79 953 173	577 000					70 773 119	
Land	142 015 771						142 015 771	
Other Assets	30 536 128	1 793 171					16 755 008	
Finance Lease Assets	13 302 400	5 937 486					6 911 772	
Total carried forward	1 861 993 044	67 238 893					1 532 198 389	

Also refer to Appendix B for additional analysis of property plant and equipment.

Infrastructure Assets

During the current financial year the municipality implemented a process to identify, record, value and manage certain electricity and road infrastructure assets as required in terms of GRAP 17 that were previously not componentised. This resulted in a reconstructed fixed asset register for electricity and road infrastructure assets. The key issues in this regard were as follows:

- Physical verification and valuation
- All the infrastructure assets have been physically verified during the year by specialists. During this process the asset location, condition and maintenance history was recorded and evaluated.
- Due to the specialised nature of the assets, and market availability of information, the Depreciated Replacement Cost method was used.
- Retrospective application of the effects of implementation of GRAP 17
- The implementation of GRAP 17 is a change in accounting policy. In terms of GRAP 3 changes in accounting policies should be applied retrospectively.

retrospective application corrections were done as follows:

Disclosure of the asset information

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The deemed cost was determined by using the depreciated replacement values (DRC).

In order to apply the retrospective application as required for the infrastructure assets, the DRC values were adjusted to reflect as at 30 July 2007. The opening cost for the take on values of the assets as well as for accumulated depreciation is restated. This adjustment is made directly to accumulated surplus.

- Depreciation for the year has been based on the new asset values and is calculated on the straight line method.

Movable Assets

During the current financial year the municipality implemented a process to identify, record and value movable assets as required in terms of GRAP 17. This resulted in a take on of additional assets not previously recorded for movable assets. The key issues in this regard were as follows:

Physical verification and valuation

- All the movable assets have been physically verified during the year. During this process the asset location, condition, description and custodian was recorded and evaluated.

- A 100% verification and condition assessment was done.

Retrospective application of the effects of GRAP 17

- In terms of GRAP 3 changes in accounting policies should be applied retrospectively. The methodology followed for the retrospective application corrections was done as follows:

Disclosure of the asset information

- Actual values were used where supporting information was available. For the remaining assets the DRC methodology was followed to determine the deemed cost of these assets.

The opening for the take on values of the assets as well as for accumulated depreciation is restated. This adjustment is made directly to accumulated surplus.

- Depreciation for the year has been based on the new asset values and is calculated on the straight line method.

Reclassification of Assets

During the current financial year the municipality implemented a process to verify, record and measure assets as required in terms of GRAP 17. This resulted in a reclassification of certain infrastructure, community and other assets previously incorrectly classified.

Retrospective application of the effects of GRAP 17

- In terms of GRAP 3 changes in accounting policies should be applied retrospectively.

Change of Comparative figures

During the current financial year the municipality capitalised certain infrastructure assets in the prior that have not been recorded in the prior year resulting in a restatement of the prior year.

Refer to note XX on prior period error note for detail of corrections made

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

12 INVESTMENTS	2012 R	2011 R
Unlisted		
<u>Held-to-maturity Investments</u>		
Fixed Deposits	23 677 175	20 682 629
Total Cash Investments	23 677 175	20 682 629
Councils' valuation of unlisted Investments		
Liberty	3 786 347	2 777 093
BOE (Sinking Fund)	19 890 828	17 905 531
	23 677 175	20 682 629

Investments have been made for the redemption of long - term loan liabilities.
Refer to note 1 for more detail on long - term loans.

Fair value of investments are at quoted book value as at 30 June 2012.

No non-current investment defaulted and no terms of any of the non-current investments were re-negotiated.

13 LONG-TERM RECEIVABLES

Other Loans	819 935	4 313 190
Electrical Connection	0	469
Stand Loans	170 566	1 933 589
Other Debtors (El Gondox)	0	886 205
Debtor Arrangements	749 369	1 412 927
LESS: Current portion transferred to current receivables	170 566	2 900 263
Other Loans	170 566	2 900 263
Electrical Connection	0	469
Stand Loans	170 566	2 899 794
Debtor Arrangements	0	
Less :Provision for bad debt	749 369	1 412 927
Total	0	0
Reconciliation of provision for bad debt		
Balance at beginning of year	1 412 928	2 378 803
Contributions to provision	574 760	-985 875
Bad debts written off	88 809	0
Balance at end of year	749 369	1 412 928

No security is held for any of the long-term receivables.

No long-term receivables defaulted and no terms of any of the long-term receivables were re-negotiated.

No portion of the long-term receivables was pledged as security for any financial liabilities.

No portion is past due or impaired.

LOANS TO STAFF AND THE PUBLIC

To comply with the requirements of the MFMA no loan has been made after 1 March 2004.

OTHER LOANS

Electricity Connection

To encourage tenants to connect to the electricity service, a subsidy of 50% per connection were granted to finance the cost to consumers with interest rates between 20% and 21%. These loans are repayable over a maximum period of five years and were granted before the implementation of the MFMA.

Stand Loans

Loans were made to enable people to purchase stands from Council. These

Debtor Arrangements

Short -term debt repayment arrangements are engaged in to enable debtors to pay outstanding consumer accounts.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

14 INVENTORY	2012	2011
	R	R
Consumable stores	9 254 824	9 006 824
Stands	1 723 000	1 723 000
	<u>10 977 824</u>	<u>10 729 824</u>
Inventory (Write downs)		0
Total Inventory	<u>10 977 824</u>	<u>10 729 824</u>

Carrying value of stock is disclosed at cost.

Inventory Pledged as Security

No inventory was pledge as security.

15 RECEIVABLES	Gross Balance	Provision for Bad Debts	Net Balance
	R	R	R
As at 30 June 2012			
Service debtors			
Rates	55 936 635	46 705 300	9 231 335
Electricity	55 841 956	14 689 899	41 152 056
Refuse	26 388 294	22 208 778	4 179 516
Total	<u>138 166 885</u>	<u>83 603 974</u>	<u>54 562 911</u>

	Gross Balance	Provision for Bad Debts	Net Balance
	R	R	R
As at 30 June 2011			
Service debtors			
Rates	49 226 699	39 210 866	10 015 833
Electricity	47 164 627	15 012 363	32 152 264
Refuse	30 523 189	26 097 324	4 425 865
Total	<u>126 914 515</u>	<u>80 320 553</u>	<u>46 593 962</u>

	2012	2011
	R	R
<u>Rates: Ageing</u>		
Current (0 - 30 days)	4 833 610	3 989 146
31 - 60 Days	2 389 666	2 130 833
61 - 90 Days	2 502 182	2 210 989
91 - 120 Days	1 671 254	1 684 866
121 Days and longer	44 539 823	39 210 865
Total	<u>55 936 635</u>	<u>49 226 699</u>

	2012	2011
	R	R
<u>Electricity: Ageing</u>		
(Current 0 - 30 Days)	28 476 212	23 096 833
31 - 60 Days	8 365 940	5 670 314
61 - 90 Days	4 166 602	2 110 440
91 - 120 Days	2 151 304	1 274 675
121 Days and longer	14 689 897	15 012 364
Total	<u>55 841 956</u>	<u>47 164 626</u>

	2012	2011
	R	R
<u>Refuse removal: Ageing</u>		
(Current 0 - 30 Days)	2 194 226	1 812 869
31 - 60 Days	1 101 314	958 226
61 - 90 Days	809 482	808 269
91 - 120 Days	830 542	746 501
121 Days and longer	21 352 732	26 097 324
Total	<u>26 388 295</u>	<u>30 523 189</u>

Summary of Debtors by Customer Classification including other debtors

<u>Residential Property: Aging</u>		
Current (0 - 30 days)	13 287 486	9 608 715
31 - 60 Days	6 239 767	4 467 881
61 - 90 Days	2 587 719	2 298 565
91 - 120 Days	2 186 877	2 061 983
121 Days and longer	52 432 174	59 595 475
Total	<u>76 733 013</u>	<u>78 032 619</u>

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Industrial/commercial: Aging

(Current 0 - 30 Days)	19 948 753	18 239 509
31 - 60 Days	6 719 346	4 885 694
61 - 90 Days	3 936 980	1 586 246
91 - 120 Days	1 878 100	1 190 173
121 Days and longer	22 616 398	25 938 186
Total	55 099 577	52 839 808

National and Provincial: Aging

(Current 0 - 30 Days)	686 360	1 015 848
31 - 60 Days	583 041	398 126
61 - 90 Days	349 147	358 120
91 - 120 Days	288 903	323 162
121 Days and longer	7 194 944	8 108 249
Total	9 099 395	10 203 511

Other: Aging

(Current 0 - 30 Days)	1 454 830	2 137 394
31 - 60 Days	1 012 804	497 600
61 - 90 Days	629 752	610 849
91 - 120 Days	441 689	295 875
121 Days and longer	7 047 177	8 710 571
Indigent charge & Development cost	10 686 252	12 252 289
Total		

Consumer Debtors Pledged as Security

No portion of accounts receivable was pledged as security for any financial liabilities.

Credit Quality of Consumer Debtors

The credit quality of Consumer Debtors that are neither past nor due impaired can be assessed by reference to historical information about counter party default rates. Although credit quality can be assessed the Municipality did not apply any methods to evaluate the credit quality.

Consumers Debtors

No security is held for any of the accounts receivable.

Consumer Debtors Impaired

As at 30 June 2012, Consumer Debtors of R 83 603 974 (2011: R80 320 553) were impaired and provided for.

Amounts totalling R 4 178 342 (2011 R1 882 768) were written off as uncollectable against the debt impairment allowance account.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements.

No portion is past due or impaired.

16 RECONCILIATION OF DOUBTFUL DEBT PROVISION

Balance at beginning of the year	60 320 553	58 083 827
Contributions to provision	7 464 763	24 119 494
Doubtful debts written off against provision	4 178 342	-1 882 768
Balance at end of year	83 603 974	80 320 553

The fair value of trade and other receivables approximates their carrying amounts.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17 OTHER RECEIVABLES

	2012 R	2011 R
Other debtors	142 546 276	130 562 348
Payments made in advance	6 248 343	4 850 007
Bursary Loans	0	64 318
Deposit Petrol	9 808	9 808
Year end debtors	94 431 407	38 021 019
Other	11 856 718	87 617 198
Less : Provision for bad debt	7 958 771	13 974 421
Total Other Debtors	104 587 505	116 587 827

	2012 R	2011 R
Reconciliation of provision for bad debt		
Balance at beginning of year	13 974 421	16 184 082
Contributions/ (Reversal) to provision	6 579 290	-1 995 328
Bad debts written off	11 593 940	-214 333
Balance at end of year	7 958 771	13 974 421

18 Operating lease assets (accrual)

Current assets	176 954	204 632
	176 954	204 632

Correction of prior year: refer to note 32

Municipality as lessor: Operating leases minimum future receivables

Not later than one year	113 345	103 760
Later than one year no later than 5 years	333 311	369 791
Later than 5 years	349 585	426 451

19 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts:

Current bank account (Primary bank account)

ABSA Bank - Tzaneen Branch
Account number - 1280850527

Cash book balance at beginning of year	22 198 274	-4 159 424
Cash book balance at end of year	50 277 604	22 198 274

EFF Bank Acc
ABSA Bank - Tzaneen Branch
Account number - 4056018122

Bank statement balance at beginning of year	0	941
Bank statement balance at end of year	0	0

AFF Bank Acc
ABSA Bank - Tzaneen Branch
Account number - 4056017980

Bank statement balance at beginning of year	0	941
Bank statement balance at end of year	0	0

Rates & General
ABSA Bank - Tzaneen Branch
Account number - 405144332

Bank statement balance at beginning of year	0	0
Bank statement balance at end of year	0	0

Grants Account
ABSA Bank - Tzaneen Branch
Account number - 9093767307

Bank statement balance at beginning of year	0	8 308
Bank statement balance at end of year	0	0

ABSA Bank - Tzaneen Branch
Account number - 4056018237

Bank statement balance at beginning of year	0	941
Bank statement balance at end of year	0	0

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

ABSA Bank - Tzaneen Branch
Account number - 4048964222

Bank statement balance at beginning of year
Bank statement balance at end of year

	32 338 697	1 666 841
	61 117 022	32 338 697

ABSA Bank - Tzaneen Branch
Account number - 9081974980

Bank statement balance at beginning of year
Bank statement balance at end of year

	150 942	19
	795 656	150 942

No cash and cash equivalents, or portion thereof, was pledged as security for any financial liabilities.

No restrictions exist regarding the use of cash.

No portion is past due or impaired.

20 PROPERTY RATES

	2012 R	2011 R
<u>Actual</u>		
Residential	21 608 568	17 808 282
Commercial	17 982 058	14 450 403
State	5 281 074	5 140 257
Other	10 846 250	7 285 827
Total Assessment Rates	55 727 950	44 684 769

Valuations

	July 2012 R000's	July 2011 R000's
Residential	3 484 735	3 393 917
Commercial	2 035 411	2 130 355
State	1 000 270	803 394
Municipal	254 914	286 861
Agriculture	4 029 498	4 801 837
Other	5 816	247 309
Total Property valuations	10 810 642	11 463 673

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2008. Interim valuations are processed on a monthly basis to take into account changes in individual property values due to alterations and subdivisions. The same rate is applied on different categories of property and improvement valuations to determine assessment rates. Rebates are granted on various categories of properties. Interest at prime rate plus 1% is levied on outstanding rates and the prime rate of ABSA applies. The valuation roll has been extended for one year and new valuations will be effective from 1 July 2013.

21 SERVICE CHARGES

	2012	2011
Sale of electricity	307 269 216	248 402 412
Refuse removal	21 229 834	17 579 913
Indigent Charges	212 382	208 799
Other	595 029	748 320
Total Service Charges	329 306 461	266 937 444

Greater Tzaneen Municipality acts as service provider for Mopani District Municipality with regard to the water and sewer services. Mopani District Municipality is the water and sewer service authority and those services reflect in their records.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
22 GOVERNMENT GRANTS AND SUBSIDIES

National MSIG	690 200	750 000
Provincial Local Government	5 702 009	4 975 648
Finance Management Grant	1 250 000	1 017 381
Equitable share	167 203 000	141 860 986
SETA	271 697	53 754
MIG	25 230 782	38 533 057
National - Electrification Grant	6 244 372	6 489 852
National - Solid Waste Grant	1 705 000	0
	<u>208 297 060</u>	<u>193 660 678</u>

Drought Relief Programme		
Balance unspent at beginning of year	30 702	30 702
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities	<u>30 702</u>	<u>30 702</u>

The grant is targeting communities without primary potable water, mainly attributed by drought. The aim is to provide primary water to a minimum of 25lt per day in the proposed area.

MFMG		
Balance unspent at beginning of year	0	17 381
Current year receipts		1 000 000
Conditions met - transferred to revenue		-1 017 381
Conditions still to be met - transferred to liabilities	<u>0</u>	<u>0</u>

MFMG funds are used to facilitate GRAP and MFMA. To capacitate employees by having programmes such as: The Municipal Finance Management Internship Programme

Equitable Share

In terms of the constitution this is an unconditional grant used to subsidise the provision of basic services to the indigent community households

SETA		
Balance unspent at beginning of year	990 095	1 043 849
Current year receipts		0
Transfers		0
Conditions met - transferred to revenue	-271 697	-53 754
Conditions still to be met - transferred to liabilities	<u>718 398</u>	<u>990 095</u>

The grant is used to pay for training courses. It supplement/augment the funds on the training vote. It is used to set off the primary and secondary skills development facilitators when they are out of the office on skills development related matters.

MIG Grant		
Balance unspent at beginning of year	1 191 323	12 056 580
Current year receipts	46 712 000	17 834 916
Admin fees	5 200 557	-1 456 200
Conditions met - transferred to revenue	-22 132 265	-27 343 973
Conditions still to be met - transferred to liabilities	<u>20 570 501</u>	<u>1 191 323</u>

MIG Funds are used to upgrade and build new infrastructure up to a basic level of service as well as to rehabilitate existing infrastructure for the poorest of the poor.

Department of Trade & Mineral		
Balance unspent at beginning of year	336 118	743 047
Current year receipts	594 398	0
Conditions met - transferred to revenue		-406 829
Conditions still to be met - transferred to liabilities	<u>930 516</u>	<u>336 118</u>

The main aim of this grant was to supply the farmers/workers with electricity and the funds were used for the electrification of the farmers houses (the workers house) within the GTM. This was according to the DME (Department of minerals and Energy standards).

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

National Electrification Grant		
Balance unspent at beginning of year	4 469 438	4 128 246
Current year receipts	6 600 000	10 000 000
Conditions met - transferred to revenue	5 477 519	-9 158 808
Administration fees	1 016 853	-500 000
Conditions still to be met - transferred to liabilities	<u>2 975 066</u>	<u>4 469 438</u>

The grant was used for electrification of farm labour housing and schools

Community Based Projects		
Balance unspent at beginning of year	413 430	413 430
Current year receipts		
Conditions met - transferred to revenue	58 552	
Conditions still to be met - transferred to liabilities	<u>356 878</u>	<u>413 430</u>

The funds were used for the training of lead facilitators, ward-based facilitators and lastly community based projects roll out to the wards. This process took place from December 2003 to date.

Umsombovu Youth Fund		
Balance unspent at beginning of year	0	49 767
Current year receipts		
Conditions met - transferred to revenue		-49 767
Conditions still to be met - transferred to liabilities	<u>0</u>	<u>0</u>

The funds are used for the lunching of the project, also to pay for the Insurance and the graduation of the Youth that are in the project.

EU GRANT		
FRUIT & NUT CLUSTER		
Balance unspent at beginning of year	645 768	-695 525
Current year receipts		49 767
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities	<u>-645 768</u>	<u>-645 768</u>

This grant was used for a hawkers feasibility study

NEIGHBOURHOOD GRANT		
Balance unspent at beginning of year	8 572 359	3 190 481
Current year receipts	12 000 000	10 620 000
Conditions met - transferred to revenue	8 238 664	-5 238 122
Conditions still to be met - transferred to liabilities	<u>14 332 505</u>	<u>8 572 359</u>

These funds were used to embellish the entrances of vanuise towns and villages

CLEANEST TOWN		
Balance unspent at beginning of year	450 766	450 766
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities	<u>450 766</u>	<u>450 766</u>

Funds received through the greenest town competition were used to provide schools in villages with refuse removal skips

MSIG - ESTABLISHMENT GRANT		
Balance unspent at beginning of year	0	148 595
Current year receipts	790 000	750 000
Conditions met - transferred to revenue	690 200	-898 595
Conditions still to be met - transferred to liabilities	<u>99 800</u>	<u>0</u>

UPGRADING SPORT FACILITIES		
Balance unspent at beginning of year	100 623	100 623
Current year receipts		
Conditions met - transferred to revenue		
Conditions still to be met - transferred to liabilities	<u>100 623</u>	<u>100 623</u>

This grant was used to upgrade sport facilities in towns and villages

CHANGES IN LEVELS OF GOVERNMENT GRANTS	2012 R	2011 R
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Based on the allocation set out in the Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23 OTHER INCOME

Insurance claims	1 039 837	1 264 941
Valuation certificates	24 165	19 351
Non Refundable deposits	3 760	3 110
Environmental health services	38 627	51 755
Library service	16 621	19 188
Other income	6 043 071	4 010 725
Total other Income	7 166 071	5 368 070

24 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	101 908 006	99 076 747
Employee related costs - Social contributions	30 108 659	33 207 804
Travel allowance	6 036 988	4 911 581
Housing allowance	1 331 040	1 050 254
Overtime payments	11 956 797	9 294 563
Performance bonus	497 425	410 091
Less: Employee costs capitalised to Property, Plant and Equip	0	0
Less: Employee costs included in other expenses	64 101 566	55 825 893
Total Employee Related Costs	97 737 149	91 125 144

There were no advances to employees.

Remuneration of the Municipal Manager

Annual Remuneration	954 138	634 370
Performance Bonuses	51 407	0
Total	1 005 545	634 370

Remuneration of the Chief Finance Officer

Annual Remuneration	913 863	909 095
Performance Bonuses	0	0
Total	913 863	909 095

Remuneration of Individual Directors

	2012	2011
Community Services	903 997	756 768
Corporate Services	0	659 145
Engineering Services	0	693 704
Electrical Engineering	908 934	799 211
Planning & Economic Development	906 397	756 768
Total	2 720 328	3 665 596

25 REMUNERATION OF COUNCILLORS

	2012	2011
Mayor	658 262	605 696
Councillors Allowances	14 191 304	10 716 651
Executive Committee Allowances	1 478 577	1 419 566
Speaker Allowances	690 757	499 431
Full Time Councillors	2 796 244	1 986 713
Medical Fund Contributions	0	0
Total	16 655 144	15 227 957

In-kind Benefits

The Mayor, Speaker and five Councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor has use of a Council owned vehicle for official duties.

The Mayor has one full-time Secretary and one pa.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

26 Repairs & Maintenance		
Machinery & Equipment	187 839	164 990
Lawnmowers	2 462 212	2 497 536
Distribution Networks	24 880 258	22 690 258
Stormwater Drainage & Bridges	7 012 149	7 543 859
Tarred Roads	12 504 513	21 219 943
Gravel Roads	11 886 591	13 471 993
Sidewalks & Pavements	3 436 099	4 106 724
Streetlights	694 930	713 741
Council-Owned Land	8 240 397	8 728 619
Council-Owned Buildings	6 695 774	6 309 634
Council-Owned Vehicles	11 743 118	11 626 182
Non-Council-Owned Assets - Contractors	164 762	285 104
Others	816 679	1 623 237
Total Repairs & Maintenance	90 714 319	100 981 820

27 INTEREST ON EXTERNAL BORROWINGS

Long term liabilities	12 054 685	7 232 422
Finance leases	714 623	551 094
Bank overdrafts		
Total Interest on External Borrowings	12 766 508	7 783 516

28 BULK PURCHASES

	2012	2011
	R	R
Electricity	204 802 806	176 451 428
Total Bulk Purchases	204 802 806	176 451 428

29 CONTRACTED SERVICES

Contracted services for:		
Information Technology	391 223	433 915
Meter reading	1 780 633	1 738 055
Security Services	8 494 752	7 318 141
Refuse removal	7 248 067	8 876 316
Cleaning Services	7 920 955	6 917 687
Valuation roll	1 906 622	1 165 403
Town Planning	360 166	30 527
Aerodrum	107 833	165 632
EPWP	692 437	0
	28 892 688	26 644 676

30 GRANTS & SUBSIDIES PAID

Sport Council	106 644	106 644
SPCA	90 000	90 000
Mayor Special Account	12 701	59 242
Mayor Bursary Account	147 450	174 890
Eskom EBSST	2 836 792	2 622 667
Seta (Training)	271 697	53 764
Department of Trade & Mineral	594 398	406 929
HPH	6 239 854	3 877 302
MSIG	690 200	750 000
Other grants	14 760 034	21 757 029
	24 560 971	29 898 457

31 GENERAL EXPENDITURE

	2012	2011
	R	R
Auditors Fees	2 329 249	1 650 022
Consumable Domestic Items	663 089	625 082
Fuel - Vehicles	4 037 191	3 234 470
Insurance	2 772 959	3 480 559
Insurance Claims Own Expenditure	7 280 780	6 784 892
Leases - Photocopiers	380 060	0
Membership Fees - Salga	1 188 262	732 385
Non-Capital Tools & Equipment	1 760 735	216 440
Postage & Courier Fees	904 265	752 368
Printing & Stationery	1 427 462	1 229 623
Prodlba Share - Drivers Licence Fee	96 365	2 648 600
Protective Clothing	563 944	525 162
Provincial Share - Vehicle Licence Fee	0	
Public Education And Training	48 986	96 928
Rent - Telephone Exchange	535 077	353 710
Rental Computer	576 991	416 086
Subsistence & Travelling Expenses	5 768 772	5 627 691

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Telephone	1 890 069	2 006 800
Training Costs	1 133 108	781 384
Others	20 761 490	8 953 273
Total General Expenses	64 099 844	40 015 485

32 CORRECTION OF PRIOR PERIOD ERRORS

Certain comparative figures have been reclassified for fairer presentation of the information due to prior period errors. Refer to note 39 for prior period errors.

Prior period errors

The correction of errors results in adjustments for the 2009 year as set out below.

Take on of Infrastructure prior to 1/07/2010	14 396 554
Increase in Infrastructure Asset	(2 414 632)
Increase in Infrastructure Accumulated Depreciation	11 981 922
Net effect on Statement of Financial Position	
Increase in Accumulated Surplus	(11 981 922)
Net effect on Statement of Changes in Net Assets	(11 981 922)
Take on of Land prior to 1/07/2010	95 643 921
Increase in Land	95 643 921
Net effect on Statement of Financial Position	
Increase in Accumulated Surplus	(95 643 921)
Net effect on Statement of Changes in Net Assets	(95 643 921)
Take on of Other Assets prior to 1/07/2010	5 130 814
Increase in Other Assets	(2 487 777)
Increase in Other Assets Accumulated Depreciation	2 643 037
Net effect on Statement of Financial Position	
Increase in Accumulated Surplus	(2 643 037)
Net effect on Statement of Changes in Net Assets	(2 643 037)
Take on of Infrastructure prior to 1/07/2011	76 803
Increase in Infrastructure	(3 965)
Increase in Infrastructure Accumulated Depreciation	71 839
Net effect on Statement of Financial Position	
Increase in Accumulated Surplus	(71 839)
Net effect on Statement of Changes in Net Assets	(71 839)
Take on of Infrastructure - in respect of Life span changes due to unbundling	(6 896 053)
Increase in Infrastructure Accumulated Depreciation	(6 896 053)
Net effect on Statement of Financial Position	
Decrease in Accumulated Surplus	6 896 053
Net effect on Statement of Changes in Net Assets	6 896 053
Reallocation of Computer Equipment to Furniture and Fittings Due to Prior errors in classification	(5 145)
Cost of Computer Equipment	4 116
Accumulated Depreciation of Computer Equipment	6 145
Cost of Furniture and Fittings	(4 116)
Accumulated Depreciation of Furniture and Fittings	-
Net effect on Statement of Financial Position	
Reallocation of Computer Equipment to Office Equipment Due to Prior errors in classification	(5 599)
Cost of Computer Equipment	1 122
Accumulated Depreciation of Computer Equipment	5 599
Cost of Office Equipment	(1 122)
Accumulated Depreciation of Office Equipment	-
Net effect on Statement of Financial Position	

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reallocation of Computer Equipment to Plant & Machinery Due to Prior errors in classification	
Cost of Computer Equipment	(9 986)
Accumulated Depreciation of Computer Equipment	6 534
Cost of Plant & Machinery	9 985
Accumulated Depreciation of Plant & Machinery	(6 534)
Net effect on Statement of Financial Position	
Reallocation of Furniture & Fittings to Computer Equipment Due to Prior errors in classification	
Cost of Furniture and Fittings	(12 356)
Accumulated Depreciation of Furniture and Fittings	9 897
Cost of Computer Equipment	12 356
Accumulated Depreciation of Computer Equipment	(9 897)
Net effect on Statement of Financial Position	
Reallocation of Furniture & Fittings to Office Equipment Due to Prior errors in classification	
Cost of Furniture and Fittings	(4 417)
Accumulated Depreciation of Furniture and Fittings	1 817
Cost of Office Equipment	4 417
Accumulated Depreciation of Office Equipment	(1 817)
Net effect on Statement of Financial Position	
Reallocation of Furniture & Fittings to Plant & Machinery Due to Prior errors in classification	
Cost of Furniture and Fittings	(820)
Accumulated Depreciation of Furniture and Fittings	1
Cost of Plant & Machinery	820
Accumulated Depreciation of Plant & Machinery	(1)
Net effect on Statement of Financial Position	
Reallocation of Infrastructure(Roads) To Community Assets(Buildings) Due to Prior errors in classification	
Cost of Infrastructure(Roads)	(522 515)
Accumulated Depreciation of Infrastructure(Roads)	52 359
Cost of Community Assets(Buildings)	522 515
Accumulated Depreciation of Community Assets(Buildings)	(52 359)
Net effect on Statement of Financial Position	(0)
Reallocation of Infrastructure(Roads) To Community Assets(Fencing) Due to Prior errors in classification	
Cost of Infrastructure(Roads)	(41 929)
Accumulated Depreciation of Infrastructure(Roads)	4 201
Cost of Community Assets(Fencing)	41 929
Accumulated Depreciation of Community Assets(Fencing)	(4 201)
Net effect on Statement of Financial Position	
Reallocation of Infrastructure(Roads) To Community Assets(Roads & Subgrade) Due to Prior errors in classification	
Cost of Infrastructure(Roads)	(597 216)
Accumulated Depreciation of Infrastructure(Roads)	59 844
Cost of Community Assets(Roads & Subgrade)	597 216
Accumulated Depreciation of Community Assets(Roads & Subgrade)	(59 844)
Net effect on Statement of Financial Position	
Reallocation of Infrastructure(Roads) To Community Assets(Roads) Due to Prior errors in classification	
Cost of Infrastructure(Roads)	(11 301 760)
Accumulated Depreciation of Infrastructure(Roads)	1 474 995
Cost of Community Assets(Roads)	11 301 760
Accumulated Depreciation of Community Assets(Roads)	(1 474 995)
Net effect on Statement of Financial Position	
Reallocation of Infrastructure(Roads) to Infrastructure(Somewater) Due to Prior errors in classification	
Cost of Infrastructure(Roads)	(41 532 409)
Accumulated Depreciation of Infrastructure(Roads)	11 507 782
Cost of Infrastructure(Somewater)	41 532 409
Accumulated Depreciation of Infrastructure(Somewater)	(11 507 782)
Net effect on Statement of Financial Position	

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Reallocation of Office Equipment to Motor Vehicles Due to Prior errors in classification	
Cost of Office Equipment	(26 288)
Accumulated Depreciation of Office Equipment	5 288
Cost of Motor Vehicle	26 288
Accumulated Depreciation of Motor Vehicle	(5 288)
Net effect on Statement of Financial Position	<u>-</u>

Reallocation of Office Equipment to Computer Equipment Due to Prior errors in classification	
Cost of Office Equipment	(2 662)
Accumulated Depreciation of Office Equipment	591
Cost of Computer Equipment	2 662
Accumulated Depreciation of Computer Equipment	(591)
Net effect on Statement of Financial Position	<u>-</u>

Reallocation of Office Equipment to Furniture & Fittings Due to Prior errors in classification	
Cost of Office Equipment	(10 649)
Accumulated Depreciation of Office Equipment	1 553
Cost of Furniture & Fittings	10 649
Accumulated Depreciation of Furniture & Fittings	(1 553)
Net effect on Statement of Financial Position	<u>-</u>

Reallocation of Office Equipment to Plant & Machinery Due to Prior errors in classification	
Cost of Office Equipment	(2 015)
Accumulated Depreciation of Office Equipment	1 791
Cost of Plant & Machinery	2 015
Accumulated Depreciation of Plant & Machinery	(1 791)
Net effect on Statement of Financial Position	<u>-</u>

Reallocation of Plant & Machinery to Computer Equipment Due to Prior errors in classification	
Cost of Plant & Machinery	(9 699)
Accumulated Depreciation of Plant & Machinery	2 874
Cost of Computer Equipment	9 699
Accumulated Depreciation of Computer Equipment	(2 874)
Net effect on Statement of Financial Position	<u>-</u>

Reallocation of Plant & Machinery to Furniture & Fittings Due to Prior errors in classification	
Cost of Plant & Machinery	(2 349)
Accumulated Depreciation of Plant & Machinery	789
Cost of Furniture & Fittings	2 349
Accumulated Depreciation of Furniture & Fittings	(789)
Net effect on Statement of Financial Position	<u>-</u>

Reallocation of Plant & Machinery to Motor Vehicles Due to Prior errors in classification	
Cost of Plant & Machinery	(37)
Accumulated Depreciation of Plant & Machinery	25
Cost of Motor Vehicles	37
Accumulated Depreciation of Motor Vehicles	(25)
Net effect on Statement of Financial Position	<u>-</u>

Reallocation of Plant & Machinery to Office Equipment Due to Prior errors in classification	
Cost of Plant & Machinery	(9 511)
Accumulated Depreciation of Plant & Machinery	5 908
Cost of Office Equipment	9 511
Accumulated Depreciation of Office Equipment	(5 908)
Net effect on Statement of Financial Position	<u>-</u>

Statement Of Position	
Assets	
Property, plant and equipment	103 444 666
Total Assets	<u>103 444 666</u>

Net assets and Liabilities	
Net surplus	<u>(103 444 666)</u>

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Statement of financial performance	
Expenses	
Depreciation, amortisation and impairments	3 985
Surplus/(Deficit) for the period	3 985

Statement of Changes in Net Assets

Balance at 1 July 2009	602 938 228
Loss for the year	(27 182 823)
Balance at 1 July 2010	575 755 405

33 GAIN / (LOSS) ON SALE OF ASSETS

Property plant and equipment	3 503	440 920
Other financial assets		-440 920
Total Gain / (Loss) on sale of assets	3 503	0

34 CASH GENERATED BY OPERATIONS

Net surplus for the year	-88 639 358	-64 273 246
Adjustments for:		
Depreciation	99 936 375	95 764 663
Gain on disposal of property plant & equipment	7 535 017	12 205 844
Contributions to Provisions - non-current	157 332	136 277
Contributions to Provisions current		-833 134
Transfers	-19 103 090	-16 370 168
Interest received	12 768 508	7 783 516
Interest Paid	12 652 784	35 413 752
Operational surplus before working capital changes	248 000	-2 835 303
Increase in Inventories	-7 888 949	-7 959 485
Increase in Debtors	23 055 317	-11 092 561
Decrease in other debtors	24 010 803	-5 768 846
Increase in Conditional Grants	16 126 491	2 060 336
Increase in Creditors		
Cash generated by operations	21 517 912	9 817 893

35 CASH AND CASH EQUIVALENTS

	2012	2011
	R	R
Balance at the end of the year	60 277 604	22 198 274
Balance at the beginning of the year	22 198 274	-4 416 509
Net increase / (decrease) in cash and cash equivalents	28 079 330	26 614 783

36 UTILISATION ON LONG-TERM LIABILITIES RECONCILIATION

Long term liabilities	151 904 163	116 219 768
Used to finance property, Plant and equipment	40 262 776	69 780 350
Sub-Total	111 621 387	46 429 408
Cash set aside for the repayment of loans		
Cash Invested for repayment of loans	23 677 175	20 682 629
Cash Invested for repayment of external loans	135 298 562	67 112 037

External loans have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that external loans can be repaid on redemption date. See note 1 for more detail

37 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

Unauthorised expenditure

Reconciliation of unauthorised expenditure	2012	2011
	R	R
Opening Balance	0	21 677 942
Unauthorised expenditure for the year	0	0
Approved by council		-21 677 942
Closing balance	0	0

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Incident

Conditional Grants were not cash backed in 2010 / 2011

Disciplinary steps / Criminal proceedings

None

Irregular fruitless and wasteful expenditure	2012	2011
	R	R
Reconciliation of fruitless and wasteful expenditure		
Opening balance	0	
Fruitless and wasteful expenditure	0	168 166
Loss of cash due to fraud	0	0
Transfer to Statement of Financial Performance	0	0
Closing balance	0	168 166

Incident

The Municipality had to pay interest charges on late payments to ESKOM of R 168 166.00 due to a shortfall in cash which resulted from the equitable share allocation received late in August 2010. Approved by council on 31 January 2012

Disciplinary steps / Criminal proceedings

none

Reconciliation of irregular expenditure	2012	2011
	R	R
Opening balance	0	
Irregular expenditure	0	1 251 503
Transfer to Statement of Financial Performance	0	
Closing balance	0	1 251 503

Incident

Increase in contract price of R 1 251 503 after contract was awarded to Kgosi Moneke during the 2010/2011 financial year. Approved by council on 31 January 2012

Disciplinary steps / Criminal proceedings

None

38 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to SALGA

Opening balance	0	0
Council subscriptions	1 189 262	732 385
Amount paid - current year	1 189 262	-732 385
Balance unpaid (Included in creditors)	0	0

Audit Fees

Opening balance	0	0
Current year audit fee	2 320 249	1 650 022
Amount paid - Current year	2 320 249	-1 650 022
Balance unpaid (Included in creditors)	0	0

VAT	2012	2011
	R	R

VAT is shown in notes 7. All VAT returns have been submitted by the due date throughout the year.

PAYE AND UIF

Opening balance	0	0
Current year payroll deductions	23 797 485	23 788 706
Amount paid - current year	23 797 485	-23 788 706
Balance unpaid (Included in creditors)	0	0

GREATER TZANEEN MUNICIPALITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Pension and Medical Aid Deductions

Opening balance	0	0
Current year payroll deductions and Control Contributions	32 131 196	30 787 032
Amount paid - Current year	32 131 196	30 787 032
Balance unpaid (included in creditors)	0	0

The balance represents pension and medical aid contributions deducted from employees in the June 2012 payroll as well as Council's contribution to pension and medical aid funds. These amounts were paid during July 2012

Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

30th June 2012

	Total R	Outstanding less than 90 days R	Outstanding more than 90 days R
Councillor : ME Ramolefo	2 351	2 351	0
Councillor : RE Pohl	3 870	3 870	0
Councillor : MG Mushwana	32 514	1 010	31 504
	38 735	7 231	31 504

30th June 2011

	Total R	Outstanding less than 90 days R	Outstanding more than 90 days R
Councillor : C Machimana	237	17	220
Councillor : OJ Mushwana	2 229	2 229	
Councillor : MJ Mothiba	2 576	1 260	1 316
Councillor : JHS Mbhalati	7 938	522	7 416
Councillor : ME Ramolefo	1 579	1 199	381
Councillor : MC Nkhwashu	3 200	729	2 471
Councillor : RE Pohl	2 748	2 748	
Councillor : PJ Mkhabele	1 294	1 294	
Councillor : MG Mushwana	34 103	1 053	33 050
Councillor : MS Mbowani	7 693	1 153	6 540
Councillor : MB Malekutu	424	424	
Councillor : MS Mallula	811	811	
Councillor : MM Mogeboyo	323	323	
Councillor : MB Mnisi	627	627	
Councillor : G Baloyi	808	808	
Councillor : P McGaffin	1 701	1 701	
Total Councillor Arrear Consumer Account	68 282	16 897	61 385

During the Year the following Councillors had arrear accounts outstanding for more than 90 days

30th June 2012

	Highest Amount Outstanding R	Ageing
Councillor : MG Mushwana	31 504	120 Days

30th June 2011

	Highest Amount Outstanding R	Ageing
Councillor : C Machimana	220	120 Days
Councillor : MJ Mothiba	1 316	120 Days
Councillor : JHS Mbhalati	7 416	120 Days
Councillor : ME Ramolefo	381	120 Days
Councillor : MC Nkhwashu	2 471	120 Days
Councillor : MG Mushwana	33 050	120 Days
Councillor : MS Mbowani	6 540	120 Days

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39 NON-COMPLIANCE WITH CHAPTER 11 OF THE MUNICIPAL FINANCE MANAGEMENT ACT

Deviation from Supply Chain Management Regulation

Paragraph 12 (1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a Supply Chain Management Policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same Gazette states that the Accounting Officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the Council and includes a note to the Annual Financial Statements.

Please refer to Schedule 1 for a detailed schedule of the deviations from the Supply Chain Regulations.

40 CAPITAL COMMITMENTS

	2012 R	2011 R
Commitments in respect of capital expenditure:		
- Approved and contracted for infrastructure	0	39 500 000
- Approved but not yet contracted for infrastructure	118 654 828	76 976 400
Community	105 464 828	66 631 400
Heritage	5 335 000	5 880 000
Other	7 855 000	4 465 000
Housing Development Fund		
Investment Properties		
Total	118 654 828	116 476 400

This expenditure will be financed from:

- Internal Advances	29 128 749	17 100 000
- External Loans	30 000 000	50 000 000
- Government Grants	5 000 000	49 376 400
- MIG Grants	64 526 080	
	118 654 828	116 476 400

41 RETIREMENT BENEFIT INFORMATION

Joint Municipal Pension Fund

The last valuations of the Joint Municipal Pension Fund was done on 30 September 2010.

The results of the valuation (with provision for some future pension increases) are as follows:

Actuarial Valuation	2010 R'000	2009 R'000
Actuarial value of Assets	1 995 626	1 958 314
Total accrued liabilities	1 902 613	1 845 529
Solvency reserve	93 013	110 785
Surplus / (Deficit)	89 000	0
Funding level (including solvency)	100.0%	

Municipal Employees Gratuity Fund

The last valuation of the Municipal Employees Gratuity Fund was done on 30 June 2011

	2011 R'000	2010 R'000
Actuarial Valuation		
Share account	11 257 721	9 544 376
Reserve Account	198 557	229 798
Value of Fund 30 June 2011	11 456 278	9 774 174

The fund is financial sound for the requirements of the Pension Fund Act.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Municipal Employees Pension Fund

The last valuation of the MEPF was done on 29 February 2008

Actuarial Valuation	29/02/2008 R'000	29/02/2008 R'000
Assets	5 715 557	5 715 557
Liabilities	4 900 547	4 900 548
Contingency Reserves	382 289	382 289
Surplus/(Deficit)	<u>432 721</u>	<u>432 720</u>

This represents a funding level of 108.2%.

Imatu Retirement Fund

The above mentioned fund is a defined contribution fund and according to regulation 2 of the Pension Fund of 1956 exempt from the provisions of sections 9A and 16 of the Act.

42 CONTINGENT LIABILITY

	2012 R	2011 R
Paper guarantees housing loan (ABSA)	<u>1 000 000</u>	<u>1 000 000</u>

A paper guaranty of R1 million has been negotiated with ABSA on behalf of officials in respect of housing loans. No collateral is needed by ABSA on housing loans.

The Municipality is being sued by a member of the public for R708 446.78 for unlawful arrest, detained, assaulted and publicly degraded by a Traffic Officer

	<u>708 446</u>	<u>708 446</u>
--	----------------	----------------

The Municipality is being sued by 2 members of the public for R100 000 each for unlawful prosecution by our traffic department.

	<u>200 000</u>	<u>200 000</u>
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The Municipality is being sued by Daily Double cc and others for civil liability viz loss of earnings, profit and general financial loss

	<u>23 000 000</u>	<u>23 000 000</u>
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The Municipality is being sued by Thabo Molepo for unlawful arrest by the traffic officers of the municipality.

	<u>1 000 000</u>	
--	------------------	--

The Municipality is being sued by Phadima Phadima Group regarding the sale of land.

	<u>900 000</u>	
--	----------------	--

A high court case between Telagex and the Municipality, where the Municipality sold land but the purchaser failed to honour payments.

	<u>1 500 000</u>	
--	------------------	--

A disciplinary hearing regarding allegations of misconduct between Adv Phatudi and the Municipality is still in progress.

	<u>4 000 000</u>	
--	------------------	--

A disciplinary hearing regarding allegations of misconduct between Thabo Ramokgano and the Municipality is still in progress.

	<u>1 000 000</u>	
--	------------------	--

43 CONTINGENT ASSETS

The estimated amount of recoverable traffic fines for 2012 is R4 029 538 (2011: R1 571 390), being 35% (2011: 25%) of all the traffic fines amounting to R7 080 208 (2011: R3 110 380) issued but not yet recovered at year end.

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

44 RELATED PARTIES

Refer to Schedule 2 attached for detailed information.

Key management personnel information

All Councillors have disclosed their interest in related parties and no one has the ability to control or exercise significant influence over Council in making financial and operational decisions.

During the 2011/2012 financial year no Councillor or Official had any interest in related parties and no one could control or influence Council in making financial or operational decisions.

No remuneration was paid to family or key personnel.

There are no share based payments.

There are no post-employment benefit for key personnel.

45 FINANCIAL INSTRUMENTS

The main risks of the Municipality are interest rate risk, liquidity risk, credit risk and the fair value of financial instruments.

Interest rate risk

The Municipality is exposed to interest rate risk on its investments and long term borrowings.

This risk is managed by investing in investments with different maturity dates. This enables the Municipality to re-allocate some of the investments in the event of major fluctuations in the interest rates. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings at fixed rates expose the municipality to fair value interest rate risk.

Currency risk

The Municipality does not have currency risk as in terms of section 163 of the Municipal Finance Management Act, No. 56 of 2003, no municipality may incur a liability or risk payable in a foreign currency.

Liquidity risk

The Municipality's risk to liquidity is a result of the funds available to cover future commitments. The Municipality's policy on counterpart credit exposures ensures that only counterparties of a high credit standing are used for the investments of any excess cash.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limited exposure to any one counterparty.

The utilisation of credit limits is regularly monitored.

Financial assets exposed to credit risk at year-end were as follows.

Long term liabilities - Standard Bank	21 011 252	
Long term liabilities - Standard Bank	13 281 875	
Long term liabilities - DBSA	40 373 580	-35 010 350
Long term liabilities - ABSA	11 600 000	-11 600 000
Long term liabilities - INCA	18 110 312	-18 829 408
Long term liabilities - DBSA	32 527 144	34 780 000
Local registered stock : DBSA	15 000 000	-15 000 000
Finance lease liability	8 689 106	-5 210 413
Investments - BOE	19 899 828	17 805 531
Investments - Liberty	3 786 347	2 777 098
Non-current receivables	170 568	2 900 263
Trade and other receivables	54 582 911	46 593 962

GREATER TZANEEN MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Other receivables	104 587 605	116 587 927
Cash and cash equivalents	50 277 604	22 108 274
Trade and other payables	88 933 087	-79 307 759
Consumer deposits	18 564 112	11 574 824
VAT payable	25 738 089	-18 236 926
Unspent conditional grants and receipts	39 919 997	-15 909 094
	<u>3 689 719</u>	<u>54 213 929</u>

These balances represent the maximum exposure to credit risk

Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality

Counterparties

The Municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty. The Municipality has no significant concentration of credit risk with any single counterparty or a group of counterparties.

46 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure E(1) and E(2)

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

SCHEDULE 1

Deviations of supply chain management processes 2011/2012

DATE	DESCRIPTION OF BIDS	BID NUMBER	RELEVANT SECTION	BEC RECOMMENDATION	BAC RECOMMENDATION	AWARDED TO	AMOUNT	REASON FOR DEVIATION
Jul-Sept								
2011	Repairs on railway lines	N/A	ESD	N/A	N/A	Deerdup landgoed Cc	R 41 553.00	Only company which repairs railway lines around Tzaneen
	Purchase of NEC/NER	N/A	EES	N/A	N/A	Actom	R 215 361.96	Un availability of NEC/NER might result in major damages
	Purchase of spotlights and torches	N/A	EES	N/A	N/A	Messrs J Fortler	R 47 430.00	Sole supplier
Oct-Dec							R 304 344.96	
2011	Mayoral imbizos in ward 04 and ward 13 Xihoko and Mandlakazi	N/A	Corp	N/A	N/A	Swafanela trading project EOH Infrastructure and technologies	R 13 400.00	Only one service provider responded
	Cutover to new cabling (CA)	N/A	Corp	N/A	N/A	ROCLA	R 38 919.60	Emergency
	Purchase of storm water pipe	N/A	ESD	N/A	N/A		R 136 059.23	Only supplier in Limpopo
							R 188 378.83	
Jan-Mar	of Erf 1737 Nkowankowa B	N/A	PED	N/A	N/A	Shihundla Land	R 5 130.00	Only one quotation received
	Purchasing of data concentrators for monitoring purposes	N/A	EES	N/A	N/A	Actom	R 416 955.00	Sole supplier
Apr-Jun	Supply of two 7.4Kw and 15Kw flight pumps for municipal hostels pump station	N/A	ESD	N/A	N/A	Jagger tec	R 142 267.62	Emergency
2012							R 559 222.62	

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

SCHEDULE 1

Deviations of supply chain management processes 2010 2011

Description of bids	Bid number	Relevant Section	BEC recommendation	BAC recommendation	Awarded to	Amount of award
Actuarial Services	Quotation	Financ :Expenditure	N/A	N/A	ARCH Actuarial Consulting	R 33 060.00
Fire Detection System Servicing	Quotation	Building and Maintenance : ESM	N/A	N/A	QD Fire Systems cc	R 37 843.00
Building of Transformers of 2x20 MVA 66/11KVA OLTC Trfs	Closed Bid /Quotation	Electrical Engineering	N/A	N/A	Actom Power Transformers	R 10 264 370.00

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 NOTES TO THE ANNUAL FINANCIAL STATEMENTS

SCHEDULE 2

RELATED PARTIES 2011/2012 Financial Year

Related party transactions awarded to
Councillors or Officials in service of State

Name of person	Capacity in which person is in service	Successful tenderer	Contract No	Amount of award
NA	NA	NA	NA	NA

During the 2011/2012 financial year no Councillor or Official or Member of the audit committee had any interest in related parties transaction and no one could control or influence Council in making financial or operational decisions.

RELATED PARTIES 2010/2011 Financial Year

During the 2010/2011 financial year no Councillor or Official or Member of the audit committee had any interest in related parties and no one could control or influence Council in making financial or operational decisions.

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
APPENDIXES TO THE ANNUAL FINANCIAL STATEMENTS

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

EXTERNAL LOANS	Balance at 30-06-2011	Received during the period	Redeemed written off during the period	Balance at 30-06-2012	Carrying Value of Property Plant & Equip	Other Costs in accordance with the MFMA
LONG-TERM LOANS : STOCK						
DBSA	15 000 000	0	0	15 000 000		
TOTAL LONG-TERM LOANS	15 000 000	0	0	15 000 000	0	0
ANNUITY LOAN LOANS						
ANNUITY LOAN STANDARD BANK		21 011 252		21 011 252		
ANNUITY LOAN STANDARD BANK		13 281 875		13 281 875		
ANNUITY LOAN DBSA	35 010 350	5 989 649	626 420	40 373 579		
ANNUITY LOAN ABSA	34 780 000	0	2 252 856	32 527 144		
ANNUITY LOAN INCA	19 829 408	0	1 719 096	18 110 312		
TOTAL ANNUITY LOANS	89 619 758	40 282 776	4 598 372	125 304 162	0	0
SINKING FUND						
SINKING FUND ABSA	11 600 000			11 600 000		
TOTAL SINKING FUND	11 600 000	0	0	11 600 000	0	0
TOTAL EXTERNAL LOANS	116 219 758	40 282 776	4 598 372	151 904 162	0	0

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
APPENDICES TO THE ANNUAL FINANCIAL STATEMENTS

Appendix B

Analysis of Property Plant and Equipment as at 30 June 2012

Category	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623
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GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
APPENDIXES TO THE ANNUAL FINANCIAL STATEMENTS

Appendix C

Segmental Analysis of Property Plant And Equipment as at 30 June 2012

Row Labels	Opening Cost 2011 - 2012	Additions 2011 2012	Additions FMV 2011 - 2012	Disposals 2011 2012	Capitalized WIP	Closing Cost 2011 - 2012	Opening Depreciation 2011 2012	YTD Depreciation 2011 2012	Disposal Depreciation 2011 - 2012	Closing Depreciation 2011 2012	NBV 2011 - 2012
Community & Social Services	9 123 942.22	0.00	0.00	5 857.50	11 483 523.57	9 118 084.72	2 276 884.31	891 655.84	2 354.23	2 868 165.72	8 251 898.00
Electricity	888 046 121.51	77 539 671.58	0.00	0.00	0.00	965 585 793.09	155 240 584.68	36 312 015.88	0.00	191 552 590.56	760 559 898.96
Executive & Council	3 428 939.78	0.00	0.00	0.00	0.00	3 428 939.78	734 406.12	181 676.93	0.00	916 083.04	2 513 856.74
Finance & Admin	17 508 236.62	27 043 022.84	0.00	1 877.04	0.00	44 549 382.42	8 173 923.43	3 117 047.12	1 877.04	11 289 093.51	33 260 288.91
Health	122 781.17	0.00	0.00	0.00	0.00	122 781.17	43 274.91	10 788.84	0.00	54 063.75	68 717.42
Housing	344 136 828.50	0.00	0.00	96 882 830.00	0.00	247 253 998.50	9 216 047.72	2 303 654.01	0.00	11 519 701.74	235 734 286.77
Planning & Development	142 103 500.71	0.00	0.00	0.00	0.00	142 103 500.71	68 864.45	15 308.64	0.00	84 173.09	142 019 427.68
Public Safety	6 212 070.99	4 268 595.07	0.00	0.00	0.00	10 480 666.06	1 458 211.35	2 269 640.91	0.00	3 727 732.26	6 753 913.79
Road Transport	781 286 358.00	1 928 104.00	0.00	8 368 704.83	1 928 104.00	772 817 653.17	206 473 262.64	52 616 782.00	8 368 704.83	250 721 339.82	522 196 313.98
Sports & Recreation	57 074 207.98	0.00	0.00	0.00	0.00	57 074 207.98	6 041 023.33	1 503 232.37	0.00	7 544 255.69	49 529 952.29
Waste Management	15 034 573.45	283 190.65	0.00	0.00	0.00	15 317 764.10	3 438 147.58	1 059 957.32	0.00	4 498 104.90	10 773 881.55
Water & Sanitation	244 578.02	0.00	0.00	0.00	0.00	244 578.02	122 584.32	39 284.40	0.00	161 843.72	82 329.30
	375 038.21	0.00	0.00	0.00	0.00	375 038.21	349.38	25 053.89	0.00	25 403.27	349 631.94
Grand Total	2 262 698 377.21	111 073 594.14	0.00	105 259 259.36	13 447 405.22	2 255 065 286.77	393 287 524.21	100 045 997.95	8 372 936.09	484 980 585.07	1 770 104 700.69

These appendix includes Intangible assets, investment properties and property plant and equipment

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
APPENDIXES TO THE ANNUAL FINANCIAL STATEMENTS

APPENDIX D

SEGMENTAL INCOME STATEMENT FOR THE YEAR ENDED

2011 ACTUAL INCOME R	2011 ACTUAL EXPENDITURE R	2011 SURPLUS/ (DEFICIT) R		2012 ACTUAL INCOME R	2012 ACTUAL EXPENDITURE R	2012 SURPLUS/ (DEFICIT) R
124 663	3 255 602	-3 130 939	Community & Social Services	103 289	3 376 497	-3 273 208
259 614 029	271 751 170	-12 137 141	Electricity	313 513 588	298 027 395	15 486 193
0	23 351 766	-23 351 766	Executive & Council	0	23 708 787	-23 708 787
201 069 764	82 209 412	118 860 352	Finance & Admin	256 546 336	204 665 811	51 880 525
51 755	4 906 770	-4 855 015	Health	38 627	4 203 327	-4 164 700
842 258	10 323 307	-9 481 049	Housing	752 122	10 118 882	-9 366 760
4 555 711	15 286 664	-10 730 953	Planning & Development	5 803 749	18 616 734	-12 812 985
2 851 562	21 129 592	-18 278 030	Public Safety	6 170 926	18 952 376	-12 781 450
64 585 671	136 783 034	-72 197 363	Road Transport	71 587 793	134 037 786	-62 449 993
31 060	14 884 377	-14 853 317	Sport & Recreation	36 719	13 583 392	-13 546 673
0	3 346 320	-3 346 320	Waste Management	0	2 775 690	-2 775 690
30 551 211	41 322 916	-10 771 705	Waste Water Management	22 934 834	34 060 665	-11 125 831
		0	Other			0
564 277 684	628 550 930	-64 273 246	Sub Total	677 487 983	766 127 342	-88 639 359
			Less Inter-Dep Charges			
564 277 684	628 550 930	-64 273 246	Total	677 487 983	766 127 342	-88 639 359

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
APPENDICES TO THE ANNUAL FINANCIAL STATEMENTS

APPENDIX E(1)

ACTUAL VERSES BUDGET FOR THE YEAR ENDED 30 JUNE 2012

REVENUE	2012 ACTUAL (R)	2012 BUDGET (R)	2012 VARIANCE (R)	2012 VARIANCE (%)	EXPLANATION OF SIGNIFICANT VARIANCES GREATER THAN 10% VERSUS BUDGET
Property rates	55 727 950	45 591 566	-10 135 984	-18.19%	Properties not listed in deeds office. Valuation roll updated
Property rates - Penalties imposed and collection d	3 106 571	3 161 860	55 288	1.76%	
Service charges	329 305 460	328 912 265	-5 394 195	-1.64%	
Rental of facilities and equipment	388 210	233 006	-160 204	-40.74%	
Interest earned - external investments	5 159 847	51 000	-5 108 947	-89.01%	Previous years cash flow constraints addressed. Funds available to invest.
Interest earned - outstanding debtors	13 943 143	14 684 720	741 577	5.32%	
Fines	7 009 597	2 330 138	-4 679 461	-66.76%	Contractor appointed to recover outstanding traffic fines.
Licences and permits	498 951	303 250	-195 701	-39.22%	
Income for agency services	47 233 158	43 643 100	-3 590 058	-7.60%	
Government grants and subsidies	208 297 060	243 502 531	35 205 471	16.90%	
Other income	6 815 438	3 791 783	-3 023 655	-44.36%	
Public contributions, donated/contributed PPE		0	0	0.00%	
Gains on disposal of property, plant and equipment	-3 503	1 500 000	1 503 503	42920.44%	
Operating Income generated	677 487 982	682 705 617	5 217 635	0.77%	
Less Income Foregone			0	0.00%	
Total Operating Income	677 487 982	682 705 617		0.77%	
EXPENDITURE					
Employee related costs	97 737 149	90 608 731	-7 130 418	-7.30%	R 7.3million provided for Post-Employment Health Care benefits & Long Serv. Award
Remuneration of Councillors	16 655 144	17 033 851	378 717	2.27%	
Bad debts	12 436 142	8 494 978	-4 001 164	-32.02%	
Collection costs	317 328	200 000	-117 328	-36.97%	
Loss on inventory	-38 856	0	38 856	-100.00%	Increase in inventory.
Depreciation	99 936 375	94 703 858	-5 232 487	-5.24%	
Repairs and maintenance	90 714 319	95 823 526	5 109 207	5.63%	
Interest on external borrowings	12 766 508	15 722 688	2 956 180	23.16%	Standard Bank loan approved late in the year (30 June 2012).
Impairment of assets	96 882 830	0	-96 882 830	-100.00%	
Bulk purchases	204 802 906	206 811 937	2 108 031	1.03%	
Contracted services	28 882 588	24 766 275	-4 116 313	-14.25%	
Grants and subsidies paid	24 580 971	28 872 349	4 291 378	17.55%	
General expenses - other (including abnormal expen	80 403 937	81 979 501	1 575 564	1.96%	Termination of vegetation control contract. Service to be performed inhouse.
Contributions to/(transfers from) provisions		0	0	0.00%	
Loss on disposal of property, plant and equipment		0	0	0.00%	
Cash Requirement		0	0	0.00%	
Total Expenditure	766 127 341	675 115 734	-91 011 607	-11.88%	
NET SURPLUS (DEFICIT) FOR THE YEAR	-88 639 359	7 589 883	96 229 242	-108.56%	

GREATER TZANEEN MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012
APPENDIXES TO THE ANNUAL FINANCIAL STATEMENTS

APPENDIX E(2)

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2012

	OPENING		ACTUAL		UNDER		DISPOSALS		CAPITALISED		TOTAL		2012		2012		EXPLANATION OF SIGNIFICANT VARIANCES GREATER THAN 5% VERSUS BUDGET
	BALANCE				CONSTRUCTION				WIP		ADDITIONS		BUDGET	VARIANCE		VARIANCE %	
Community & Social Services	9 123 942		0		0		5 858		0		0		0			0%	
Electricity	886 046 122		77 539 672		0		0		11 463 524		77 539 672		31 500 000	46 039 672		146%	
Executive & Council	3 429 940		0		0		0		0		0		500 000	-500 000		-100%	
Finance & Admin	17 508 237		27 043 023		0		1 877		0		27 043 023		1 000 000	26 043 023		2604%	
Health	122 781		0		0		0		0		0		0	0		0%	
Housing	344 136 829		0		0		96 882 830		0		0		500 000	-500 000		-100%	
Planning & Development	142 103 601		0		0		0		0		0		0	0		0%	
Public Safety	6 212 071		4 269 595		0		0		0		4 269 595		86 212 000	-84 283 896		-98%	
Road Transport	781 286 358		1 928 104		0		8 368 705		1 928 104		1 928 104		0	0		0%	
Sports & Recreation	57 074 208		0		0		0		0		0		1 000 000	-706 809		-71%	
Waste Management	15 034 573		293 191		0		0		0		293 191		0	0		0%	
Water	244 678		0		0		0		0		0		0	0		0%	
Water & Sanitation	375 038		0		0		0		0		0		0	0		0%	
TOTAL	2 262 698 377		111 073 584		0		105 259 269		13 447 405		111 073 584		120 712 000	-9 638 416			



AUDITOR - GENERAL
SOUTH AFRICA

The accounting officer
Greater Tzaneen Municipality
PO BOX 24
Tzaneen
0850

Date 30 November 2012

Reference: 02504REG11/12

Dear Sir/Madam

Report of the Auditor-General on the financial statements and other legal and regulatory requirements of Greater Tzaneen Municipality for the year ended 30 June 2012

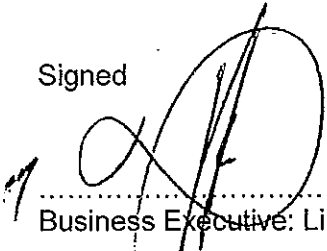
1. The above-mentioned report of the Auditor-General is submitted herewith in terms of section 21(1) of the Public Audit Act of South Africa read in conjunction with section 188 of the Constitution of the Republic of South Africa section 121(3) of the Municipal Finance Management Act of South Africa (MFMA)
2. We have not yet received the other information that will be included in the annual report with the audited financial statements and have thus not been able to establish whether there are any inconsistencies between this information and the audited financial statements and the reported performance against pre-determined objectives. You are requested to supply this information as soon as possible. Once this information is received it will be read and should any inconsistencies be identified these will be communicated to you and you will be requested to make the necessary corrections. Should the corrections not be made we will amend and reissue the audit report.
3. In terms of section [121(3) of the MFMA you are required to include the audit report in the municipality's annual report to be tabled.
4. Until the annual report is tabled as required by section 127(2) of the MFMA the audit report is not a public document and should therefore be treated as confidential.
5. Prior to printing or copying the annual report which will include the audit report you are required to do the following:
 - Submit the final printer's proof of the annual report to the relevant senior manager of the Auditor-General of South Africa for verification of the audit-related references in the audit report and for confirmation that the financial statements and other information are those documents that have been read and audited. Special care should be taken with the page references in your report, since an incorrect reference could have audit implications.
 - The signature *Auditor-General* in the handwriting of the auditor authorised to sign the audit report at the end of the hard copy of the audit report should be scanned in when preparing to print the report. This signature, as well as the place and date of signing and the Auditor-General of South Africa's logo, should appear at the end of the report, as in the hard copy that is provided to you. The official logo will be made available to you in electronic format.
6. Please notify the undersigned Business Executive well in advance of the date on which the annual report containing this audit report will be tabled.

7. Your cooperation to ensure that all these requirements are met would be much appreciated.

Kindly acknowledge receipt of this letter.

Yours sincerely

Signed

A handwritten signature in black ink, appearing to be 'Dirk Strydom', written over a dotted line.

Business Executive: Limpopo

Enquiries: Dirk Strydom

Telephone: (015) 283 9300

Fax: (015) 283 9402

REPORT OF THE AUDITOR-GENERAL TO THE LIMPOPO PROVINCIAL LEGISLATURE AND THE COUNCIL ON GREATER TZANEEN MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I was engaged to audit the financial statements of the Greater Tzaneen Municipality, which comprise the statement of financial position as at 30 June 2012, the statements of financial performance, changes in net assets and cash flows for the year then ended, a summary of significant accounting policies and other explanatory information as set out on pages xx to xx.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the Division of Revenue Act, 2011 (DoRA) and for such internal control as the accounting officer determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on the financial statements based on conducting the audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Because of the matters described in the Basis for disclaimer of opinion paragraphs, however, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

Property, plant and equipment

4. The municipality could not provide supporting documentation for property, plant and equipment additions amounting to R44 928 551. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that property, plant and equipment were valued correctly. Consequently, I could not obtain sufficient appropriate audit evidence to satisfy myself as to the valuation, existence and completeness of property, plant and equipment amounting to R1 561 443 008 as disclosed in note 11 to the financial statements.
5. The municipality did not review the useful lives of property, plant and equipment at each reporting date in accordance with the SA Standards of GRAP 17, *Property, plant and equipment*. The municipality's records did not permit the application of alternative audit procedures. Consequently, the impact on the carrying value of property, plant and equipment and the corresponding effect on accumulated surplus in terms of SA Standards of GRAP 3, *Accounting policies, change in accounting estimates and errors* as disclosed in the statement of financial position could not be determined.

6. The municipality did not account for land from the valuation roll amounting to R7 129 000 in property, plant and equipment. Due to the inadequacy of the description of land in the records of the municipality, I could not determine the completeness of land recorded. The municipality's records did not permit the application of alternative audit procedures regarding the completeness of land amounting to R142 015 771 as disclosed in note 11 to the financial statement.
7. Property, plant and equipment as disclosed in note 11 to the annual financial statements include an unexplained difference of R18 531 539 between the values in the valuation roll and the fixed asset register. The municipality did not reconcile the differences. Consequently, property, plant and equipment is misstated by R18 531 539. I could not determine the effect on the other account balances or class of transactions contained in the financial statements.
8. Property, plant and equipment of R1 561 446 185 as disclosed in note 11 to the annual financial statements, does not agree to the balance of R2 256 057 792 per the general ledger. Furthermore, property, plant and equipment as stated in the financial statements does not agree to the balance of R2 240 312 977 as per fixed assets register. The municipality did not reconcile these differences. Consequently, property, plant and equipment is understated by R15 744 814 and R84 335 586 respectively. I could not determine the effect on the other account balances or class of transactions contained in the financial statements.

Investment property

9. Stands for sale amounting to R11 272 000 was incorrectly classified as investment property resulting in the overstatement of investment property and understatement of inventory by the same amount. The municipality did not implement an adequate inventory recording management system for the year under review. I was unable to perform alternative procedures and consequently, I could not determine whether investment property amounting to R208 608 792 (2011: R305 491 622) disclosed in the annual financial statements is complete and correctly valued.

Accumulated surplus

10. The municipality restated the closing balance of accumulated surplus for the 2010-11 financial year. However, no supporting evidence could be provided for the journals passed during the 2011-12 financial year amounting to R38 998 035. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all corrections were properly recorded. Consequently, I did not obtain sufficient appropriate audit evidence to satisfy myself as to the valuation and existence pertaining to the corrections.
11. Accumulated surplus as disclosed in the annual financial statements include an unexplained difference in the comparative amount between the opening balance as per general ledger and the current years comparatives amounting to R145 482 635. The municipality did not reconcile the differences. Consequently, accumulated surplus is misstated by R145 482 635.

Bad debts

12. Bad debts amounting to R42 960 556 were written off directly against accumulated surplus. Consequently, the deficit for the year has been understated by R42 960 556 and this has impacted on the statement of financial performance in that the net deficit being understated and the corresponding effect on the receivables.

Inventory

13. The municipality could not provide supporting documents for inventory as disclosed in the note 14 to the annual financial statements. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that inventory were valued correctly. Consequently, I could not obtain sufficient appropriate audit evidence to satisfy myself as to the valuation, existence and completeness of inventory of R10 977 924 (2011: R10 729 924) as disclosed in note 14 of the annual financial statements.

Receivables and other receivables

14. The municipality could not provide supporting documents for receivables and other receivables as disclosed in the note 15 and 17 respectively to the annual financial statements. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that receivables and other receivables were valued correctly. Consequently, I could not obtain sufficient appropriate audit evidence to satisfy myself as to the valuation, existence and completeness of receivables and other receivables of R159 150 416 (2011: R163 181 889)

Value Added Tax (VAT)

15. The municipality could not provide supporting documents for VAT as disclosed in the note 7 to the annual financial statements. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that VAT was valued correctly. Consequently, I could not obtain sufficient appropriate audit evidence to satisfy myself as to the valuation, existence and completeness of VAT of R25 738 089 (2011: R19 236 926)

Employee costs

16. The municipality could not provide supporting documents for employee costs amounting to R16 684 070 as stated in note 24 to the financial statements. I was unable to confirm the employee costs by alternative means. Consequently, I could not obtain sufficient appropriate audit evidence to satisfy myself as to the occurrence and accuracy of employee costs of R97 737 149 (2011: R91 435 963) as disclosed in the note 24 to the annual financial statements..

Revenue

17. The municipality could not provide supporting documents for other income stated at R7 166 071 in the note 23 to the annual financial statements. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all other income was valued correctly. Consequently, I could not obtain sufficient appropriate audit evidence to satisfy myself as to the occurrence and accuracy of other income of R7 166 071.
18. The billing system does not agree to the financial statements and there is an unexplained difference of R8 452 607. Consequently, income from agency services as disclosed in the statement of financial performance are overstated by R8 452 607.

Borrowings

19. The municipality could not provide supporting documents for borrowings as disclosed in note 1 to the annual financial statements. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that borrowings were valued correctly. Consequently I was unable to determine whether any adjustment relating to borrowings stated at R142 330 562 in the financial statements was necessary.

Finance lease liabilities

20. The municipality could not provide supporting documents for finance lease liabilities as disclosed in the note 2 to the annual financial statements. There were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that finance lease liabilities were valued correctly. Consequently I was unable to determine whether any adjustment relating to finance lease liabilities stated at R7 550 403 in the financial statements was necessary.

Commitments

21. The municipality has disclosed the capital budget for the 2012-13 financial year as a commitment for which they were no contractual obligations as at 30 June 2012. Consequently, the amount for commitments as disclosed in note 40 to the annual financial statements was overstated by R118 654 828. Furthermore, contractual commitment amounting to R17 714 482 was not disclosed in note 40 to the annual financial statements. Consequently, the amount of commitments as disclosed in note 40 to the annual financial statement was understated by R17 714 482.

Irregular expenditure

22. No system was in place for the identification and recognition of irregular expenditure and there were no satisfactory alternative audit procedures that I could perform to obtain reasonable assurance that all irregular expenditure was properly recorded. Payments amounting to R90 591 440 were made in contravention of the supply chain management regulations. The amount was not included in irregular expenditure, disclosed in note 37 to the financial statements. Consequently, I was unable to obtain sufficient appropriate audit evidence to satisfy myself as to the completeness of irregular expenditure as disclosed in note 37 to the financial statements amounting to R0.

Unauthorised expenditure

23. The municipality exceeded its approved budget by R91 011 607. This amount was not disclosed as unauthorised expenditure in the financial statements. Consequently, unauthorised expenditure has been understated by R91 011 607 in the financial statements.

Fruitless and wasteful expenditure

24. I identified a total amount of R169 212 being fruitless and wasteful expenditure incurred as a result of payment of interest due to late payment of VAT. These amounts were not identified and recorded in the accounting records of the municipality. They were also not disclosed in the annual financial statements.

Disclaimer of opinion

25. Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Emphasis of matter

26. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Significant uncertainty

27. With reference to note 42 to the financial statements, the municipality is the defendant in various lawsuits amounting to R29 308 446. The ultimate outcome of the matter cannot presently be determined, and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

28. As disclosed in note 32 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of prior period errors discovered during 2012 in the financial statements of the municipality at, and for the year ended 30 June 2011

Under-spending of conditional grants

29. As disclosed in note 8 of the annual financial statements, the municipality has materially underspent the budget amounting to R39 919 997. As a consequence, the municipality has not achieved its objectives of service delivery

Additional matter

30. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Unaudited supplementary schedules

31. The supplementary information set out on pages X to X does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon

Withdrawal from the audit engagement

32. Due to the limitation imposed on the scope of the audit by the management, I have disclaimed my opinion on the financial statements. But for the legislated requirement to perform the audit of the municipality, I would have withdrawn from the engagement in terms of the ISA's.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

33. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

34. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages ... to ... of the annual report.
35. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the development priorities or objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information (FMPPi)*.
36. The reliability of the information in respect of the selected development priorities or objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

The material findings are as follows:

Usefulness of information

Presentation

Measures taken to improve performance

37. Improvement measures in the annual performance report for a total of 87% of the planned targets not achieved were not disclosed as required by section 46 of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA). This was due to a lack of documented and approved internal policies and procedures to address reporting processes and events pertaining to performance management and reporting.

Consistency

Reported objectives, indicators and targets not consistent with planned objectives, indicators and targets

38. The MSA, section 41(c) requires that the integrated development plan should form the basis for the annual report, therefore requiring the consistency of objectives, indicators and targets between planning and reporting documents. A total of 100% of the reported indicators and related targets are not consistent with the indicators and related targets as per the approved integrated development plan. This is due to the lack of adequate review and monitoring of integrated development plan process by management.

Measurability

Indicators not verifiable

39. The National Treasury *FMPPi* requires that it must be possible to validate the processes and systems that produce the indicator. A total of 64% of the indicators were not verifiable in that valid processes and systems that produce the information on actual performance did not exist. This was due to the lack of key controls in the relevant systems of collection of actual performance information

Performance targets not specific

40. The National Treasury *FMPPi* requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 59% of the targets were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles

Performance targets not measurable

41. The National Treasury *FMPPi* requires that performance targets be measurable. The required performance could not be measured for a total of 75% of the targets. This was due to the fact that management was aware of the requirements of the *FMPPi* but did not receive the necessary training to enable application of the principles

Reliability of information

Validity

42. The National Treasury *FMPPi* requires that processes and systems which produce the indicator should be verifiable. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity of the actual reported performance relevant to 88% of the basic service delivery key performance area. This was due to limitations placed on the scope of my work due to the absence of information systems and the institution's records not permitting the application of alternative audit procedures.

Accuracy

43. The National Treasury *FMPPi* requires that the indicator be accurate enough for its intended use and respond to changes in the level of performance. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the accuracy of the actual reported performance relevant to 88% of the basic service delivery key performance area. This was due to limitations placed on the scope of my work by the absence of information systems and the institution's records not permitting the application of alternative audit procedures.

Completeness

44. The *FMPPi* requires that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the completeness of the actual reported performance relevant to 87% of development objectives.

Compliance with laws and regulations

45. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Strategic planning and performance management

46. The municipality did not establish a performance management system that was in line with the priorities, objectives, indicators and targets contained in its integrated development plan, as required by section 38(a) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).
47. The municipality did not
- set appropriate key performance indicators as a yardstick for measuring performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan.
 - set measurable targets with regard to each development priority and objectives
 - monitor performance with regard to each of those development priorities and objectives and against the key performance indicators and targets set.
 - take steps to improve performance with regard to those developments priorities and objectives where performance targets are not met as required by section 41 of the MSA.

Budgets

48. Expenditure was incurred in excess of the limits of the amounts provided for in the votes of the approved budget, in contravention of section 15 of the MFMA.

Annual financial statements, performance and annual report

49. The annual report for the year under review does not include the accounting officer's assessment of the performance against the measurable performance objectives, as required by section 121(3)(f) of the MFMA.

Audit committees

50. The audit committee did not review the annual financial statements to provide the council with an authoritative and credible view of the financial position of the entity, its efficiency and effectiveness and its overall level of compliance with the MFMA and DoRA, as required by section 166(2)(b) of the MFMA.

Procurement and contract management

51. Goods and services with a transaction value of below R200 000 were procured without obtaining written price quotations from at least three different prospective providers as per the requirements of SCM regulation 17(a) and (c).
52. Bid adjudication was not always done by committees which were composed in accordance with SCM regulation 29(2).
53. The preference point system was not applied in all procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000) (PPPFA) and SCM regulation 28(1)(a).
54. Contracts and quotations were awarded to providers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by SCM regulation 43.
55. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

FINANCIAL YEAR		2011/12	AUDIT IMPLEMENTATION PLAN									ANNEXURE C
Municipality Name		Greater Tzaneen										
Audit Opinion		Disclaimer										
Reporting Period		Dec-12										
Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress	
Immovable Assets	Matters affecting the auditor's report	Misstatement in the cashflow statements		Lack of proper system to be used in the compilation of financial statement. Receipt of information late from consultants dealing with asset information	Acquiring of computerised system for the compilation of financial statements	01/02/2013	30/04/2013	Norah Lion	CFO	In progress	In process of acquiring caseware software	
					Completion of asset verification process in May of each year.			Norah Lion	CFO	In progress	Meeting arranged for 13 December 2012 to draw a program for 2013 Financial year audit	
					Establishment of asset management unit			Masiye Mankabidi	MM	In progress	In the process of placement a person to deal with asset management processes	
					Monthly updates of asset register in terms of GRAP 17			Norah Lion	CFO	Not yet started	Person to be trained to run the system by Deloitte Consulting	
Other Disclosure	Matters affecting the auditor's report	Incorrect disclosures of commitments		Inadequate systems to deal with contract management	Implementation of contract management system in the legal division	01/02/2013	30/08/2013	Adv. Stephen Monyela	Acting Legal Manager	In progress	All appointed contractors are signing service level agreements	
										Prenumbered contract register to be developed which will include contracts that are in progress and those that have been completed		
Payments	Matters affecting the auditor's report	Supporting documentation for employees' costs not submitted to auditors		No proper record keeping (safeguarding of documents)	Implementation of prenumbered journal book			Norah Lion	CFO	In progress	Procuring a duplicate prenumbered Journal Book	
					Implementation of a secured central filling in Budget and Treasury Office	01/01/2013	28/02/2013	Norah Lion	CFO	Not yet started	Identification of a centralised secured filling room in BTO	
Procurement	Matters affecting the auditor's report	Bids documentation and bids reports Quality Plant Hire and Bageso Housing and Development Consultants not submitted to auditors		No proper record keeping (safeguarding of documents)	Submission of bids documents for interim audit			Leon Mashao	Acting Manager:SCM	In progress		
					Implementation of a secured central filling in Budget and Treasury Office	01/01/2013	28/02/2013	Norah Lion	CFO	Not yet started	Identification of a centralised secured filling room in BTO	
Procurement	Matters affecting the auditor's report	Non disclosure interests in the bid documents by service providers		No proper system to identify people who have business interest and not disclosed	Engage with Auditor General and COGHSTA about the appropriate system	01/01/2013	30/06/2013	Masiye Mankabidi	MM	Not yet started	Procurement of the system	
Procurement	Matters affecting the auditor's report	Procurement Preference point not calculated		No full implementation of the Preferential Procurement Policy Framework Act	Adoption by council of Supply Chain Management Policy which incorporates the amendment to the PPPFA	31/01/2013	31/01/2013	Masiye Mankabidi	MM	In progress	Draft policy finalised	
					Adjustment to the Annual Financial Statements to disclose to awarded bids as irregular expenditure	01/02/2013	30/04/2013	Johan Biewenga	Manager:BTO	In progress	AFS are being adjusted	
					Submission to council of the awarded tenders in terms of section 32 of the MFMA	01/01/2013	30/04/2013	Norah Lion	CFO	Not yet started	Not yet	

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Procurement	Matters affecting the auditor's report	Expired contracts not terminated		Inadequate contracts management	Termination of all expired contracts	01/01/2013	31/03/2013	Adv. Stephen Monyela	Acting Manager:Legal		Writing letters to respective service providers whose contracts have expired
					Appointment of new service providers in terms of SCM	01/01/2013	31/01/2013	Norah Lion	CFO	In progress	Finalisation of SCM process as tenders have been advertised
					Disclosure of the expenditure in the AFS as irregular expenditure	01/02/2013	30/04/2013	Johan Biewenga	Manager:BTO	In progress	Identification and aggregation of all irregular expenditure for disclosure in the AFS
Procurement	Administrative matters	No declaration by suppliers that they are employed by the state		No proper system to identify people who in the employ of the state	Submission of a list of awarded tenders to COGHSTA/PT for verification	01/01/2013	30/06/2013	Leon Mashao	Acting Manager:SCM	Not yet started	Compilation of the list for submission to COGHSTA of all newly awarded tenders
Procurement	Administrative matters	Awards made to supplier in the employ of the state		No proper system to identify people who in the employ of the state	Submission of a list of awarded tenders to COGHSTA/PT for verification	01/01/2013	30/06/2013	Leon Mashao	Acting Manager:SCM	Not yet started	Compilation of the list for submission to COGHSTA of all newly awarded tenders
Procurement	Matters affecting the auditor's report	No public invitation for bids above R30 000		Advertisement of bids on the website for bids above R30 000	Advertisement of bids for values above R30 000 in the website and local newspapers	01/01/2013	30/06/2013	Leon Mashao	Acting Manager:SCM	In progress	All tenders above R30 000 are presently being advertised and is not possible, reasons are given and approval sought from MM
Procurement	Matters affecting the auditor's report	Bid evaluation committees not complying to the SCM regulations		Bids committee not well constituted	Ensure that all members in bid committees form a quorum in terms of SCM policy	01/12/2012	30/06/2013	Leon Mashao	Acting Manager:SCM	In progress	Invitations are issued to all bid committees members and only when a quorum is formed, the meetings proceed.
Procurement	Other important matters	No training for the supply chain management practitioners		Non implementation of SCM regulations	Coordinate with Provincial Treasury for the training of SCM practitioners	01/02/2013	28/02/2013	Norah Lion	CFO	Not yet started	Arrange training with Provincial Treasury
Procurement	Other important matters	Bids entries and bids results not published in the municipal website		Non compliance to SCM regulations	All bids entries and bids results to be published on the municipal website	01/01/2013	28/02/2013	Leon Mashao	Acting Manager:SCM	In progress	Submission to IT for publication on the website

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Procurement	Administrative matters	Supply chain Management policy not reviewed regularly		Non compliance to SCM regulations	Review of SCM policy regularly	31/01/2013	31/01/2013	Norah Lion	CFO	Completed	SCM policy reviewed awaiting council approval
Procurement	Other important matters	Original Tax Clearance Certificate not submitted		Non compliance to SCM regulations	Implementation of Tender Register which also record all compulsory documentation that must be submitted with every bid	01/01/2013	28/02/2013	Leon Mashao	Acting Manager:SCM	In progress	Development of Pre-Numbered Tender Register in progress
Human Resources	Administrative matters	Audit committee charter not approved by council and financial statements not reviewed by audit committee	yes	Audit committee charter not submitted to council and minutes for the review of financial statements not submitted AG	Submit audit charter to council for approval	31/01/2013	31/01/2013	Masiye Mankabidi	Municipal Manager		
					Timeous preparation and submission of AFS to audit for review and minutes prepared for submission to AG as POE	20/08/2013	20/08/2013			In progress	
								Norah Lion	CFO		Year end process plan to be drafted and stick to the plan
Human Resources	Other important matters	Excessive number of leave days retained by employees from previous leave cycle	Yes	Non compliance to SALGBC Agreement (1 January 2004)	Implementation of the SALGBC Agreement			Tinus Visser	Manager: Human Resources	Not yet started	Discussion in the Local Labour Forum for the implementation of the agreement
						01/02/2013	30/04/2013				
Human Resources	Administrative matters	Appointment of candidates not recommended by interviewing panel	Yes	Non compliance to staff provisioning policy	Compliance to Provisioning policy of the municipality			Masiye Mankabidi	MM	In progress	
						01/12/2012	01/06/2013				
Human Resources	Administrative matters	Special leave taken not in excess of 3 days as per SALGBC Agreement	No	Non compliance with the SALGBC Agreement	Implementation of the SALGBC Agreement			Tinus Visser	Manager: Human Resources	Not yet started	
					Disclosure of the expenditure in the AFS as irregular expenditure	01/12/2012	30/06/2013	Johan Biewenga	Manager:BTO	In progress	Identification and aggregation of all irregular expenditure for disclosure in the AFS
Human Resources	Administrative matters	Posted Leave days differ to the taken leave days as per leave form	No	No timeous capturing of leave days taken	Reconciliation of leave taken as per leave forms to the payday payroll system	01/12/2012	30/06/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Human Resources	Administrative matters	Employees taking leave before it is approved	Yes	Non compliance to leave administration	Leave to be taken after approval by authorised officials	01/02/2013	30/06/2013	MM and All Directors	MM and All Directors	In progress	Memorandum to be written to all employees by Human Resources addressing the issue relating to leave administration
Human Resources	Other important matters	Overtime paid to employees exceeding 30% of monthly basic salary	Yes	Non compliance to basic conditions of employment	Leave taken to be within the 30% and where there is a need, prior approval to be sought from the municipal manager			MM and All Directors	MM and All Directors	In progress	Memorandum to be issued to all employees and Human Resources to query all overtimes in excess of 30% without prior approval from the MM
						01/02/2013	30/06/2013				
Human Resources	Other important matters	Appointment of candidates without minimum work experience and approval by the MEC of COGHSTA	No	Non compliance to the Municipal System Act as amended and the Municipal Finance Management Act	Follow the competency levels as per MFMA regulations and the prescripts as per Municipal Systems Act as amended			Masiye Mankabidi	MM	In progress	All advertisement to follow the competency requirements and all appointments to be concurrently approved by the MEC of COGHSTA
						01/01/2013	30/06/2013				
Human Resources	Other important matters	Employees cost for prior year on Note 24 does not agree with statement of financial performance	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Norah Lion	CFO	Not yet started	Procurement of CaseWare software system
Other Disclosure	Matters affecting the auditor's report	Journal wrongly prepared for conditional grant for the Department of Energy	No	Journals not reviewed for accuracy	Pre-numbered journal forms to be implemented and must be authorized by delegated officials	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Prepared numbered duplicate journal form developed
Other Disclosure	Administrative matters	Accounting policies not detailed as GRAP standards	Yes	No proper disclosure of Accounting Policies as per GRAP standards	Utilisation of CaseWare Software which has a comprehensive disclosure of Accounting Policies which comply with GRAP standards	01/01/2013	30/04/2013	Johan Blewenga	Manager: Financial Services	In progress	Procurement of CaseWare software system
Other Disclosure	Other important matters	Amount as per Appendix E (Budget Vs Actual) does not agree with the amount as per statement of financial performance	No	Incorrect allocation of agency fee from the Department of Transport		01/01/2013	30/04/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Other Disclosure	Other important matters	No evaluation of the programmes funded by the conditional grants	Yes	Lack of monitoring on the programmes funded by the conditional grants	Evaluation of the performance of programmes funded by conditional grants to be done within two months at the end of the financial year			Masiye Mankabidi	Municipal Manager	Not yet started	Perform monthly monitoring of conditional grants
						01/01/2013	30/06/2013				
Predetermined Objectives	Other important matters	Unspent conditional grants not revert back to National Treasury	Yes	Non compliance with the DORA requirements	Application for rollovers and follow up with National Treasury	01/02/2013	28/02/2013	Norah Lion	CFO	In progress	Rollover for 2012 financial year applied and approval given
Predetermined Objectives	Administrative matters	Internal audit plan and internal audit charter not approved by Audit Committee	Yes	Non compliance to MFMA	Submission internal audit plan and Audit Committee charter by end of June each year for approval by the Audit Committee	01/12/2012		Rodgers Shigange	Manager: Internal Audit	In progress	Conducting risk assessment by end April to allow for the development of internal audit plan and Audit Committee Charter
							31/01/2013				
Other Disclosure	Matters affecting the auditor's report	Subsequent events not accounted properly in the Annual Financial Statements	No	Non compliance to GRAP 14	The disclosure of financial assistance to GTEDA as agency will be disclosed under the notes to the financial statements	01/01/2013		Johan Biewenga	Manager: Finance Services	In progress	PED started with the GTEDA entity in terms of council resolution
							30/04/2013				
Other Disclosure	Administrative matters	No documented process to identify contingent liabilities	No	No formal system for the identification of contingent liabilities	Monthly reporting by Corporate Services of all litigation against the municipality	01/01/2013		Stephen Monyela	Acting Manager: Legal Services	In progress	Monthly and quarterly reports submitted to both council and audit committee
							30/04/2013				
Other Disclosure	Matters affecting the auditor's report	Unauthorised expenditure	Yes	No proper budget control	Monthly monitoring of budget and a detailed report to be discussed in a management meeting and subsequently to council			Johan Biewenga	Manager: Finance Services	In progress	Monthly reports submitted to management and portfolio committees and quarterly to council
						01/01/2013	30/04/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Other Disclosure	Matters affecting the auditor's report	No adequate disclosure of Irregular expenditure	Yes	No proper system to record irregular expenditure	Register for irregular expenditure developed	01/01/2012	30/04/2013	Mokgadi Sono	Manager:Expenditure	In progress	Monthly reporting of irregular expenditure to management and portfolio committee and subsequently to council on a quarterly basis
Immovable Assets	Matters affecting the auditor's report	Difference between Fixed Asset Register and the General Ledger	Yes	No proper reconciliation between Fixed Asset Register and General Ledger	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Immovable Assets	Matters affecting the auditor's report	Difference between Fixed Asset Register and the General Ledger	Yes	No proper reconciliation between General Ledger and Financial Statements	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Immovable Assets	Matters affecting the auditor's report	Completed projects not added to Fixed Asset Register	Yes	No proper system to record completed projects	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Movable Assets	Administrative matters	Physical local for asset not contained in the FAR	Yes	Fixed Asset Register not updated monthly	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Immovable Assets	Matters affecting the auditor's report	Amount in the valuation roll not agreeing to the amount in the Fixed Asset Register	Yes	Values as per valuation roll not used for stand values in the Fixed Asset Register	Identification of land and stands held for sale			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
					Allocation of values for land and stands held for sale as per values in the valuation roll.	01/01/2013	30/04/2013				
					Reclassification of stands held for sale as inventory						

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Immovable Assets	Administrative matters	Monthly reconciliation between Fixed Asset Register and General Ledger not done	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/06/2013	30/06/2013				
Immovable Assets	Matters affecting the auditor's report	Duplicated assets	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/01/2013	30/04/2013				
Immovable Assets	Other important matters	Journal not adequately supported	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/01/2013	30/04/2013				
Immovable Assets	Administrative matters	Monthly reconciliation between Fixed Asset Register and General Ledger not done	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/06/2013	30/06/2013				
Movable Assets	Matters affecting the auditor's report	Duplicated assets	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
					All duplications in the Fixed Asset Register to be investigated and corrections effected	01/01/2013	30/04/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Inventory	Other important matters	Inventory wrongly classified as investment property	No	Land held sale as stands not identified	Identification of land and stands held for sale			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
					Classification of stands held for sale as inventory	01/01/2013	30/04/2013				
Immovable Assets	Matters affecting the auditor's report	Relevant supporting documentation not provided for journals	Yes	No proper record keeping	Use of a prenumbered duplicate journal forms in which supporting will be attached			Norah Lion	CFO	In progress	Prenumbered duplicate journal form developed
					Review by delegated officials on completeness of the journal and supporting documentation	01/01/2013	30/04/2013				
Immovable Assets	Matters affecting the auditor's report	Disposed assets incorrectly reported as impairment	No	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
					Identification of assets disposed and effect corrections in the Fixed Asset Register	01/01/2013	30/04/2013				
Immovable Assets	Matters affecting the auditor's report	Differences for depreciation and impairments between AFS and General Ledger	No	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger			Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
						01/01/2013	30/04/2013				
Immovable Assets	Matters affecting the auditor's report	Land not included in the Fixed Asset Register	Yes	No dedicated asset management unit	Perform a deed search to identify all land registered in the name of the municipality and record them in the asset register			Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
						01/01/2013	30/04/2013				
Movable Assets	Matters affecting the auditor's report	Opening balance for intangible asset not reconciling to prior year closing balance	No	No review of Annual Financial Statements	Timeous preparation and review by management and audit committee of financial statements prior to submission to the AG			Norah Lion	CFO	In progress	Procurement of Caseware Software system
						01/01/2013	30/04/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Inventory	Administrative matters	Inventory system offline	No	No connectivity between main building and stores	Completion of the rural broadband connectivity			Thulani Thwala	Acting Director: Corporate Services	In progress	Rural Broadband project at completion stage
						01/01/2013	31/03/2013				
Inventory	Other important matters	No supporting documentation attached inventory adjustment journals	No	No proper record keeping	Use of a prenumbered duplicate journal forms in which supporting will be attached			Johan Biewenga	Manager: Financial Services	In progress	Prenumbered duplicate journal form developed
					Review by delegated officials on completeness of the journal and supporting documentation						
						01/01/2013	31/03/2013				
Inventory	Matters affecting the auditor's report	Net surplus on inventory does not agree to Annual Financial Statements	No	No reconciliation between General Ledger and stock listing	Perform physical stock account			Mokgadi Sono	Manager: Expenditure	Not yet started	Compilation of inventory procedure manual
					Reconcile stock list as per physical stock account and the general ledger						
						01/01/2013	31/03/2013				
Inventory	Matters affecting the auditor's report	Non submission of supporting documentation for inventory journals	Yes	No proper record keeping	Use of a prenumbered duplicate journal forms in which supporting will be attached	01/01/2013	31/03/2013	Mokgadi Sono	Manager: Expenditure	In progress	Prenumbered duplicate journal form developed
					Review by delegated officials on completeness of the journal and supporting documentation						
Inventory	Other important matters	No reconciliation performed on movement of stands	Yes	No reconciliation on stands allocated for sale	Identification of stands disposed off on credit to consumers	01/01/2013	30/06/2013	Mokgadi Sono	Manager: Expenditure	In progress	Meeting held with Deloitte to do the reclassification
					Stands inventory movement to be reconciled against inventory						
Revenue	Administrative matters	Interest earned as per investment register does not agree to the General Ledger	Yes	Working papers not balancing to the General Ledger	Splitting interest on interest received on investment and interest received on daily cash in the bank			Johan Biewenga	Manager: Financial Services	In progress	Two line items opened in the financial system
						01/01/2013	30/04/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Revenue	Other important matters	Supporting documentation for journals on interest from the bank not submitted	Yes	No proper record keeping	Use of a prenumbered duplicate journal forms in which supporting will be attached			Mokgadi Sono	Manager:Expenditure	In progress	Prenumbered duplicate journal form developed
					Review by delegated officials on completeness of the journal and supporting documentation						
						01/01/2013	30/04/2013				
Revenue	Other important matters	Accounting policies not detailed as GRAP standards	No	No proper disclosure of Accounting Policies as per GRAP standards	Utilisation of CaseWare Software which has a comprehensive disclosure of Accounting Policies which comply with GRAP standards			Johan Biewenga	Manager: Financial Services	In progress	Procurement of Caseware Software system
						01/01/2013	30/04/2013				
Movable Assets	Matters affecting the auditor's report	Understatement of finance lease liability	No	Lack of reconciliation of reconciliation between lease contracts and lease schedules	Monthly calculation of finance lease liability to be performed			Mokgadi Sono	Manager:Expenditure	Not yet started	Identification of person to do month reconciliation of lease payments
					Update general ledger monthly	01/01/2013	30/04/2013				
Movable Assets	Matters affecting the auditor's report	Understatement of finance lease liability due to incorrect present value amount used	No	Lack of reconciliation of reconciliation between lease contracts and lease schedules	Monthly calculation of finance lease liability to be performed			Mokgadi Sono	Manager:Expenditure	Not yet started	Identification of person to do month reconciliation of lease payments
					Update general ledger monthly	01/01/2013	30/04/2013				
Movable Assets	Other important matters	No unique number/barcode or serial number on assets and leased assets recorded in the Fixed Asset Register	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	31/01/2013	Norah Lion	CFO	In progress	Implement the recommendation of the AG and the Provincial CFOs forum
Movable Assets	Matters affecting the auditor's report	Assets not traced to the source document	Yes	Fixed Asset Register not complying to GRAP 17	Investigate and update the Fixed Asset Register with the source documentation	01/01/2013	30/04/2013	Mokgadi Sono	Manager:Expenditure	In progress	Meeting held with Deloitte to do the reclassification

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Movable Assets	Other important matters	Backlog depreciation incorrectly calculated	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
Immovable Assets	Matters affecting the auditor's report	Difference between Fixed Asset Register and Annual Financial Statements due to Work in Progress	Yes	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Mokgadi Sono	Manager:Expenditure	In progress	Meeting held with Deloitte to do the reclassification
Immovable Assets	Other important matters	Information relating asset disposal not provided for audit purposes	No	No dedicated asset management unit	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Mokgadi Sono	Manager:Expenditure	In progress	Meeting held with Deloitte to do the reclassification
Movable Assets	Other important matters	Reconciliation on the carrying amount between the beginning and end of period was not performed	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Johan Biewenga	Manager: Financial Services	In progress	Procurement of Caseware Software system
Movable Assets	Other important matters	Impairment of asset	Yes	No value assessment conducted	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/06/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
Movable Assets	Other important matters	No revaluation of assets	Yes	No value assessment conducted	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/06/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Movable Assets	Other important matters	Residual values are recorded zero for all classes of PPE with difference planned useful lives to be shorter than economic lives	Yes	No value assessment conducted	Investigate and establish asset management unit that will ensure that Fixed Asset Register is updated monthly and reconciled to the General Ledger	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting held with Deloitte to do the reclassification
Payments	Other important matters	Payments vouchers do not make provision for segregation duties	Yes	No payment procedure manual	Drafting of procedure manual for sundry and creditors payment			Norah Lion	CFO	In progress	Drafting of procedure manual commenced
					Develop payment vouchers that make provision for segregation of duties	01/01/2013	31/01/2013				
Payments	Other important matters	No documented financial delegations	Yes	No review of financial delegation	Development of financial delegations	01/01/2013	31/03/2013	Norah Lion	CFO	In progress	Delegations development and awaiting discussion with relevant stakeholders
Payments	Matters affecting the auditor's report	Lack of proper audit trail regarding expenditure	No	No proper capturing of information in financial system	Investigate the transaction and provide information to the auditors	01/01/2013	28/02/2013	Mokgadi Sono	Manager: Expenditure	In progress	Information has been made available
Payments	Matters affecting the auditor's report	No adequate disclosure of fruitless and wasteful expenditure - Interest paid	Yes	No proper system to record fruitless and wasteful expenditure	Opening a job for interest on late payment			Johan Biewanga	Manager: Financial Services	In progress	Job opened under interest paid for interest paid on late payment
						01/01/2013	30/04/2013				
Payments	Other important matters	Non submission of supporting documentation for journals within the 3 day period	Yes	No proper record keeping	Construction/identification of building to be used as archives/strongroom			Norah Lion	CFO	In progress	Old airconditions rooms identified as archives/strongrooms
					Centralised filing system for all financial documents	01/01/2013	30/04/2013				
					Implementation of documentation register for recording for all documents requested						
					Investigate the appointment of a filing clerk						
Payments	Matters affecting the auditor's report	Expenses per general ledger does not agree to supporting documentation	No	Lack of understanding of the VAT Act	Submission of supporting documentation to substantiate the transactions	01/01/2013	30/04/2013	Mokgadi Sono	Manager: Expenditure	In progress	Documents available for follow up audit

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Payments	Other important matters	Payments made after 30 days	Yes	No tracking system for invoices received for payment	Develop a date stamp for invoices received for payments	01/01/2013	30/06/2013	Mokgadi Sono	Manager: Expenditure	Not yet started	Dated stamp developed
					Instructions not to pay specific invoices must be done in writing and to be attached as supporting document						
Payments	Other important matters	Incorrect allocation of legal expenditure settlement amount	No	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions	01/01/2013	31/01/2013	Mokgadi Sono	Manager: Expenditure	In progress	Drafting of procedure manual commenced
Payments	Other important matters	Incorrect disclosure of conditional grant per note 30 on the Annual Financial Statements	No	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions	01/01/2013	30/04/2013	Mokgadi Sono	Manager: Expenditure	In progress	Drafting of procedure manual commenced
								Johan Biewanga	Manager: Financial Services		
Payments	Other important matters	Input VAT not claimed from payment made to vendors	Yes	Inadequate system to verify VAT registration used	Investigate the transaction and claim input VAT from SARS						
					Telephone enquiry with SARS when value is material and cannot be verified on the SARS website	01/01/2013	28/02/2013	Mokgadi Sono	Manager: Expenditure	In progress	Documents are available
Liabilities	Matters affecting the auditor's report	Trade creditors per Trial Balance not agreeing to Creditors age analysis	No	Incomplete audit file	All notes and disclosure must be supported by supporting documentation in the audit file	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Year end plan developed
								Mokgadi Sono	Manager: Expenditure		
Revenue	Other important matters	Creditors reconciliation not done	Yes	Lack of procedure manual	Creditors reconciliation to be done with all creditors sending the creditors statements	01/02/2013	30/06/2013	Mokgadi Sono	Manager: Expenditure	Not yet started	Creditors reconciliation form developed

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Predetermined Objectives	Administrative matters	IDP does not contain financial plan and three year budget projections	Yes	Lack of financial planning	Five year budget projections to be done	01/01/2013	31/05/2013	Johan Biewanga	Manager: Financial Services	In progress	Draft financial plan compiled
Predetermined Objectives	Other important matters	General key performance indicators not included in the IDP	Yes	Inadequate oversight	Include the indicators in the IDP	01/12/2012	31/05/2013	Gerald Thwala	IDP Officer	In progress	2012/2013 indicators included in the IDP
Predetermined Objectives	Other important matters	Community not involved in the IDP preparation process	Yes	Inadequate oversight	Advertisement in both local and national newspapers, including the municipal website and notice board to be done	01/12/2012	31/05/2013	Gerald Thwala	IDP Officer	In progress	
Predetermined Objectives	Other important matters	Late submission of midyear performance report	No	Inadequate oversight	Draft midyear performance report will be submitted to COGHSTA, PT and AG and adopted report will be sent after council has approved	01/12/2012	25/01/2013	Frida Human	PMS Officer	In progress	Matter discussed with the Audit Committee
Predetermined Objectives	Other important matters	Performance information not audited by municipal internal audit unit	Yes	Lack of capacity	Internal audit unit to audit performance information	01/12/2013	30/06/2013	Rodgers Shigange	Chief Internal Auditor	In progress	Matter discussed with Audit Committee during December 2012 and agreed that Mopani District to assist
					Request Mopani District District to capacity the unit						
Predetermined Objectives	Other important matters	Inconsistency between SDBIP and annual performance report	Yes	Inadequate oversight and review	SDBIP and Annual Performance Report to be aligned	01/12/2012	30/06/2013	Frida Human	PMS Officer	In progress	Framework received from COGHSTA
Predetermined Objectives	Other important matters	No proper system in place for collecting, collating and recording information	Yes	Inadequate record keeping	Information will be supported by source documents	01/01/2013	30/06/2013	Frida Human	PMS Officer	In progress	Instructions issued for the 2013/2014 financial year

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Predetermined Objectives	Other important matters	No policy and procedures in place to reporting council properties' theft and damages	Yes	No risk management unit	Establishment risk management unit	01/01/2013	28/02/2013	Masiye Mankabidi	MM	In progress	Unit established and post for Manager:Risk advertised
					Develop policies and strategies relating to risk management						
Predetermined Objectives	Other important matters	Number of households within municipality not updated annually	Yes	Unavailability of official statistics	Update the IDP with new official statistics	01/12/2012	31/03/2013	Geral Thwala	IDP Officer	In progress	IDP update with the 2011 census information
Predetermined Objectives	Other important matters	Incomplete Indigent register	Yes	Lack of capacity	Indigent to be compiled which include rural and urban households	01/12/2013	31/05/2013	Rona Viljoen	Manager: Revenue	In progress	Utility Management Service appointed to compile the register
Predetermined Objectives	Other important matters	Adopted IDP not submitted to the MEC of COGHSTA	No	No proper record keeping	Acknowledgement letter to be filed confirming the submission	01/12/2013	10/06/2013	Gerald Thwala	IDP Officer	In progress	Letter of submission for the 2012/2013 financial year available
Predetermined Objectives	Other important matters	No targets documented in the IDP and SDBIP	No	Absent of accurate data	IDP to be and SDBIP to be updated with the 2011 census	01/12/2013	31/03/2013	Gerald Thwala	IDP Officer	In progress	IDP update with the 2011 census information
Predetermined Objectives	Other important matters	Non submission of performance information	Yes	Lack of capacity	Internal audit unit to audit performance information	01/12/2013	30/06/2013	Rodgers Shigange	Chief Internal Auditor	In progress	Matter discussed with Audit Committee during December 2012 and agreed that Mopani District to assist
Predetermined Objectives	Other important matters	Key performance indicators not reported in the annual performance report	Yes	Non compliance with legislative requirements (Sec 46 of MSA)	Review the Annual Performance Report to be comply with legislative requirements	01/12/2012	20/08/2013	Frida Human	PMS Officer	In progress	Matter discussed in the Audit Committee
Predetermined Objectives	Other important matters	Measures to improve unachieved targets not disclosed	No	Inadequate oversight	All targets not achieved in the reporting period must identified and measures to improve put in place			Frida Human	PMS Officer	In progress	Report is prepared
						01/12/2012	30/06/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Predetermined Objectives	Other important matters	Reported results not verifiable	Yes	No proper record keeping	Implementation of proper record keeping system			Frida Human	PMS Officer	In progress	Internal audit to audit POE
						01/01/2013	30/06/2013				
Predetermined Objectives	Other important matters	Achieved targets not agreeing to supporting documentation	Yes	Lack of proper record keeping	Implementation of proper record keeping system			Michael Rabothata	Disaster Management Officer	In progress	
						01/01/2013	30/06/2013				
Receivables	Matters affecting the auditor's report	The other receivables on the Trial Balance does not agree to the Financial Statements	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG			Norah Lion	CFO	In progress	Procurement of Caseware Software system
						01/01/2013	30/04/2013				
Receivables	Matters affecting the auditor's report	Non submission of information relating to the writing off of indigent debtors	No	Lack of proper record keeping	Information will be submitted to AG for follow up audit			Rona Viljoen	Manager: Revenue	In progress	UMS is engaged to provide the working papers used for the writing off
						01/12/2012	31/12/2012				
Receivables	Other important matters	Letter of discontinuity not issued to defaulter debtors	Yes	Ineffective credit control system	Letter to be issued to all default debtors	01/01/2013	30/06/2013	Rona Viljoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control
Receivables	Administrative matters	Assessment rates not charged on stands and some to the wrong account holders	Yes	Lack of tracking system for a transferred stands. No reconciliation of the valuation roll	Clearance certificates to be checked against deeds records at year end and rates accounts transferred to the new owner	01/12/2012	30/06/2013	Rona Viljoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control
					Reconciliation of the valuation roll against the billing system						
Receivables	Other important matters	Councillors arrear accounts	No	Non compliance to legislative requirements	stop order system will be implemented to all councillors for payment of rates and taxes	01/12/2012	30/06/2013	Rona Viljoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Receivables	Other important matters	Writing off of bad debts-arrear accounts	No	Ineffective credit control system	Letter to be issued to all default debtors			Rona Viljoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control
					Comprehensive report to be submitted to council for writing off of bads debts	01/12/2012	30/06/2013				
Receivables	Other important matters	Bad debts written off-stands loan	No	Ineffective credit control system	Amounts to be restated and interest charged on arrear amounts			30/06/2013	30/06/2013	In progress	UMS appointed by the municipality to implement credit control
					Accounts to be handed over to debt collectors	01/12/2012	30/06/2013				
Receivables	Matters affecting the auditor's report	Overstatement of provision for bad debts		Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG			Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
					Investigate and correct the overstatement of financial statements	01/12/2012	30/06/2013	Rona Viljoen	Manager: Revenue		
Receivables	Matters affecting the auditor's report	Difference in the movement for provision for bad debts on the annual financial statements and notes to the annual financial statements	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG			Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
					Investigate and correct the overstatement of financial statements	01/12/2012	30/04/2013				
Receivables	Matters affecting the auditor's report	Receivable journals not submitted for audit purpose	No	No proper record keeping	Documents to be made available for follow up	01/12/2012	30/04/2013	Rona Viljoen	Manager: Revenue	In progress	Documents already submitted to the auditors
Receivables	Matters affecting the auditor's report	Information on receivable not submitted within 3 days	Yes	No proper record keeping	Documents to be made available for follow up			Rona Viljoen	Manager: Revenue	In progress	Documents already submitted to the auditors
						01/12/2012	31/12/2012				
Receivables	Other important matters	Bad debts written off against accumulated surplus instead of provision for bad debts	No	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions	01/12/2012	30/04/2013	Rona Viljoen	Manager: Revenue	In progress	Drafting of procedure manual commenced

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Receivables	Other important matters	Interest not charged on outstanding balance	Yes	Ineffective credit control system	Investigating the affected accounts and implement interest charge	01/12/2012	31/03/2013	Rona Viljoen	Manager: Revenue	In progress	UMS appointed by the municipality to implement credit control
Other Disclosure	Other important matters	Non submission of accumulated surplus journals within the agreed 3 days	Yes	No proper record keeping	Improved audit file	01/12/2012	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Documents already submitted to AG
Other Disclosure	Matters affecting the auditor's report	Current year comparatives does not agree to prior year working papers	Yes	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
					Investigate and correct the error						
Other Disclosure	Matters affecting the auditor's report	Prior period error on accumulated surplus	Yes	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
					Investigate and correct the prior period error						
Other Disclosure	Matters affecting the auditor's report	Accumulated surplus-Statement of change in net assets opening balance not agreeing with prior year audited balances	Yes	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
					Investigate and correct the error						
Revenue	Administrative matters	Cancellation of receipts	Yes	lack of internal control systems	Review by delegated officials on completeness and accuracy of transactions	01/01/2013	31/01/2013	Rona Viljoen	Manager: Revenue	In progress	Manuals are been developed
					Access in the system to be in line with the IT policy (Password)						
Revenue	Other important matters	No proof of payment for rental of facilities	Yes	No proper record keeping	Development of a rental of facilities register			Rona Viljoen	Manager: Revenue	Not yet started	
						01/01/2013	31/01/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Revenue	Other important matters	Inadequate control over the issuing of receipt books	Yes	No proper record keeping	Development of a register for issuing of prenumbered documents			Norah Lion	CFO	Not yet started	
						01/01/2013	31/01/2013				
								Rona Viljoen	Manager: Revenue	In progress	
Revenue	Other important matters	Understatement of service charges	Yes	Outdated billing information	Data Cleansing						UMS appointed
					Disconnection of services						
						01/12/2012	30/06/2013				
Revenue	Other important matters	Incorrect electricity tariffs used	Yes	Billing cycle	Follow up discussions with the AG			Norah Lion	CFO	In progress	Meeting arranged with the AG
						01/01/2013	30/04/2013				
Revenue	Other important matters	Distribution loss (electricity)	Yes	Billing cycle	Follow up discussions with the AG			Norah Lion	CFO	In progress	Meeting arranged with the AG
						01/01/2013	30/04/2013				
Revenue	Other important matters	Non submission of information relating to the other income	Yes	Lack of proper record keeping	Implementation of proper record keeping system			Rona Viljoen	Manager: Revenue	In progress	Old airconditions rooms identified as archives/strongrooms
						01/01/2013	30/06/2013				
Revenue	Other important matters	Overstatement of agency fee	Yes	No proper system	Reconciliation of the RD 0329 report from Enatis on a monthly basis			Rona Viljoen	Manager: Revenue	In progress	Person identified to the reconciliation
					Reconciliation of agency fees on a monthly basis	01/01/2013	28/02/2013				
Revenue	Matters affecting the auditor's report	Non submission of supporting documentation- consumer deposits	Yes	No proper record keeping	Implementation of proper record keeping system			Rona Viljoen	Manager: Revenue	In progress	Old airconditions rooms identified as archives/strongrooms
						01/01/2013	28/02/2013				
Revenue	Administrative matters	No monthly reconciliation between deposit register and deposit control account	Yes	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions			Rona Viljoen	Manager: Revenue	In progress	Drafting of procedure manual commenced
						01/01/2013	28/02/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Revenue	Other important matters	Understatement of equitable shares	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
					Investigate and correct the error						
Revenue	Other important matters	No reconciliation on grants and subsidies	No	Financial statements not reviewed for accuracy	Timeous preparation and review by audit committee of financial statements prior to submission to the AG	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Procurement of Caseware Software system
					Investigate and correct the error						
Revenue	Other important matters	No reconciliation between the valuation roll and billing system	Yes	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions	01/01/2013	30/06/2013	Rona Viljoen	Manager: Revenue	In progress	Drafting of procedure manual commenced
Revenue	Administrative matters	Cut-off dates for electricity	Yes	Billing cycle	Follow up discussions with the AG	01/01/2013	30/04/2013	Norah Lion	CFO	In progress	Meeting arranged with the AG
Revenue	Matters affecting the auditor's report	Understatement of revenue-traffic fines estimates	Yes	No proper system	Use data from the traffic fines recording system to estimate the percentage based on three year performance information	01/01/2013	30/04/2013	Johan Biewanga	Manager: Financial Services	In progress	Traffic fines recording system procured
Other Disclosure	Matters affecting the auditor's report	Payments of interest and penalties due late payment - VAT	No	No proper system to record fruitless and wasteful expenditure	Register for fruitless and wasteful expenditure	01/01/2013	30/04/2013	Mokgadi Sono	Manager: Expenditure	In progress	Monthly reporting of fruitless and wasteful expenditure to management and portfolio committee and subsequently to council on a quarterly basis
Revenue	Other important matters	Loss of revenue due VAT not claimed on input VAT	Yes	Lack of review of financial transactions	Review by delegated officials on completeness and accuracy of transactions			Mokgadi Sono	Manager: Expenditure	In progress	Drafting of procedure manual commenced
					Request the correct invoices and claim input VAT	01/01/2013	28/02/2013				

Audit Findings	Category of Finding	Description of Finding	Finding is new or recurring	Root Cause	Action Plan Description	Start Date	Completion Date	Person Responsible	Position	Progress	Narrative to Progress
Records	Other important matters	Supporting documentation for VAT journals not submitted within 3 days	Yes	No proper record keeping	Implementation of proper record keeping system			Mokgadi Sono	Manager:Expenditure	In progress	Old airconditions rooms identified as archives/strongrooms
						01/01/2013	31/01/2013				
Other Disclosure	Other important matters	VAT 201 submitted to SARS not agreeing to the general ledger	Yes	Lack of review of financial transactions	Perform monthly reconciliations			Mokgadi Sono	Manager:Expenditure	In progress	Old airconditions rooms identified as archives/strongrooms
						01/01/2013	31/01/2013				

ANNEXURE D

2011/12

Annual Performance Report



Greater Tzaneen
Municipality

Office of the Municipal Manager
August 2012

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List of Abbreviations

AG -	Auditor General
BDC -	Blue Drop Certificate
CBP -	Community Based Planning
CDF -	Community Development Facilitators
CDW -	Community Development Worker
COGTA -	Department of Cooperate Governance & Traditional Affairs
COGHSTA -	Department of Cooperative Governance, Human Settlements and Traditional Affairs (Limpopo)
DOC -	Drop Off Centre
DWA-	Department of Water Affairs
EIA -	Environmental Impact Assessment
GIS -	Geographical Information System
GTEDA -	Greater Tzaneen Economic Development Agency
GTM -	Greater Tzaneen Municipality
IDP -	Integrated Development Plan
KPI-	Key Performance Indicator
LLF -	Local Labour Forum
MDM -	Mopani District Municipality
MIS -	Management Information System
NDPG -	Neighbourhood Development Programme Grant
PMS -	Performance Management System
SCM -	Supply Chain Management
SDBIP -	Service Delivery and Budget Implementation Plan
SDF -	Spatial Development Framework

1. Background

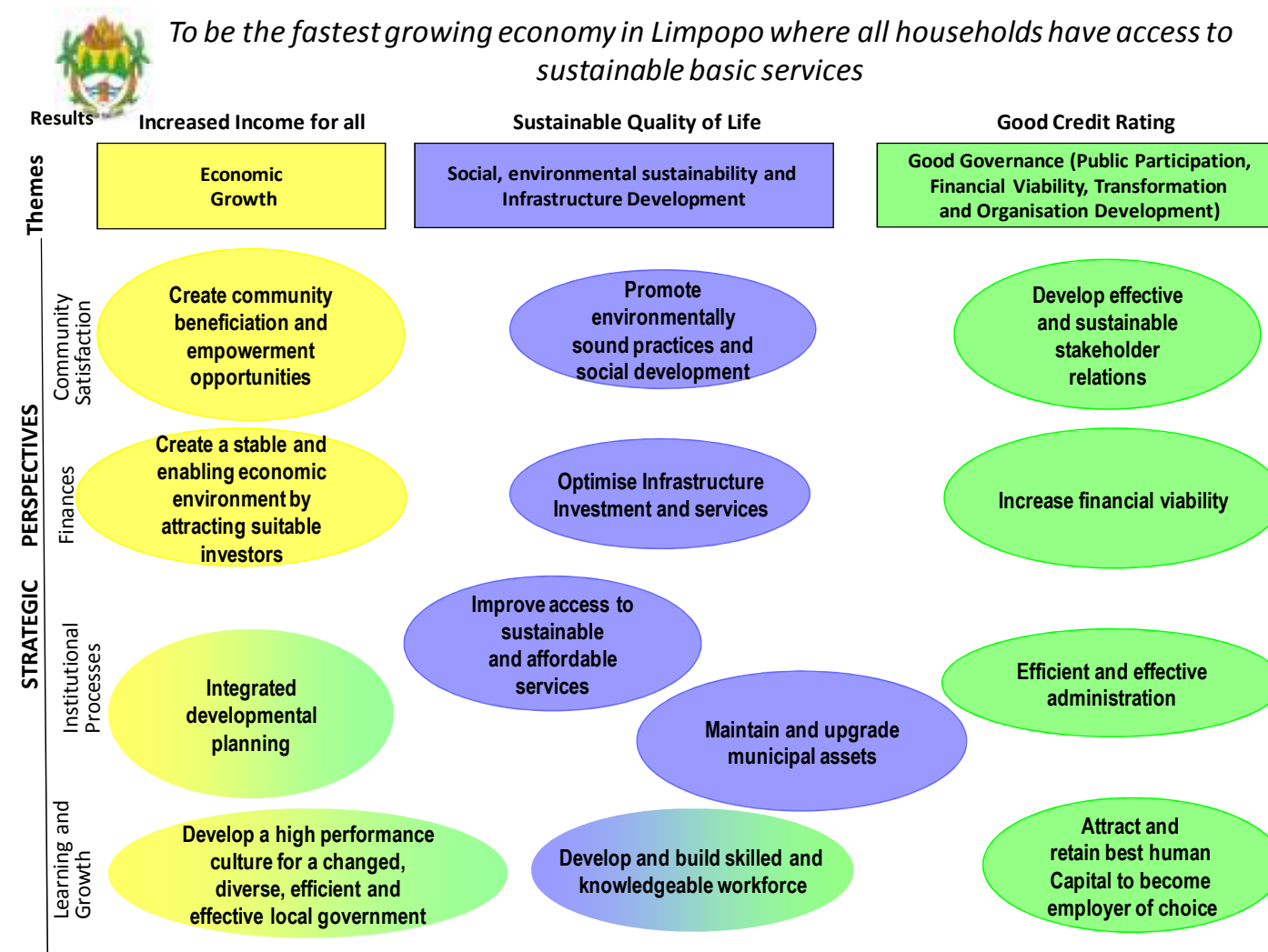
The institutional performance of Greater Tzaneen Municipality is monitored through the Service Delivery and Budget Implementation Plan (SDBIP). The SDBIP is the link between the Integrated Development Plan (IDP), which is the output of a 5-year planning process and the budget of the current financial year. Quarterly SDBIP reports are submitted to Council to ensure that Council is kept up to date with the performance in relation project implementation, revenue collection and also expenditure levels. This report will contain a summary of the information contained in the 4th Quarter SDBIP report for 2011/12 in comparison to the previous year's performance, as well as recommendations to improve performance.

The SDBIP is divided into revenue and expenditure projections and the actual achieved on the one side and Key Performance Indicators (KPIs) and projects per department on the other side. It should be noted that the actual figures in terms of revenue collected and expenditure are not the final figures as the financial statements for 2011/12 was still being collated at the time this report was being drafted. The financial statements must only be ready for the Auditor General by 31 August '12. The projects for each department are reported on as per the strategic objectives of Council as contained in the Strategy map in the IDP. This report will attempt to report on the performance of GTM in terms of the Key Performance Areas as set by the Department of Cooperative Governance and Traditional Affairs (COGTA) through the Local Government 5-year Strategic Agenda. The 4th Quarter SDBIP report for 2011/12 is attached as **Annexure A**.

This report will therefore contain an abstract of the 2011/12 4th Quarter SDBIP report focusing on the areas where GTM excelled but also highlighting those areas where improvement is required as well as an indication of what has already been done in an effort to improve performance. Furthermore, the report will contain recommendations to improve performance, to be considered during the process of revising the IDP.

ANNEXURE D

2. Strategy Map



3. Performance per Key Performance Area

The performance of Greater Tzaneen Municipality in terms of the Key Performance Areas as set out in the Local Government Strategic Agenda developed by the Department of Cooperative Governance and Traditional Affairs are as follows:

3.1 KPA 1: Municipal Transformation and Organisational Development

Objective: Integrated Developmental Planning

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Integrated Spatial Development	% of Capital spent in the priority areas identified in the SDF	100%	100%	100%	None
	% of capital spent on projects as identified in IDP for specific year	100%	100%	100%	
Integrated Development planning	IDP/BUDGET/PMS strategic session	Strategic session took place from 19-22 October 2010	Strategic Session 21-23 September '11	Strategic Session held 25-27 January '12	Non-adherence to IDP process plan
	Number of steering committee meetings	4	12	4	Postponement of meetings due to unforeseen circumstances
	Number of Representative Forum meetings	3	4	3	Non-adherence to IDP process plan, some phases of the IDP combined
	% Compliance to the Integrated IDP/ Budget/ PM process plan	80%	100%	60%	Postponement of planned sessions
	Timely adoption of IDP (31 May)	29 April '11	31 May '12	30 May '12	
	MEC assessment rating of the IDP	Medium	High	High	None
	Timely adoption of SDBIP (30 June)	15 June '12	Adopted 30 June '12	Adopted on 20 June '12	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	IDP implementation monitoring	Not applicable	Monitor the implementation of the IDP by ensuring that Thrust meetings are held and that reports are discussed at Management.	No thrust meetings took place	TOR still to be revised

Objective: Develop a high performance culture for a changed, diverse, efficient and effective local government

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Project Management	% of capital projects within budget	100%	100%	100%	
	% of capital projects within time	90%	100%	50%	Loan approved late
	% of capital projects within specifications	100%	100%	100%	
Institutional Performance Management	% Section 57 Managers with signed Performance Agreements/ Plans by 30 Jun	100%	100%	100%	
	% of HODs with signed Performance plans by 31 July	100%	100%	100%	All signed by September '11
	Electronic Performance Management System	Refresher course not held and reports not drafted on the electronic system	Utilise electronic PMS for performance planning and reporting	Awaiting quotations for implementation in 2012/2013	Budget transferred away from project
Employee Performance Management and assessment	# of Quarterly performance reviews	2	4	2	1st and 3rd Quarter informal assessments not conducted by Directors
	Performance Management Policy review	Policy approved by LLF only. Not submitted to Council on time	Implement revised PMS policy	Policy implemented.	cascading of PM dependant on appointment of additional human resources or service provider
Performance Management Reports	# of audited Quarterly performance reports submitted to Council on time	2	4	4 reports submitted	Only mid-year report was audited

Measures taken to improve performance with relation to KPA1

- The IDP process plan was amended to create a Steering committee which includes the Executive Committee and a Technical Committee which consists of Directors and Managers, and also a IDP Technical Committee that consists of Management only
- Individual Performance Management was improved by conducting mid-year performance reviews for Directors and Managers. Previously only Directors (Section 57 Managers) were assessed in January.
- The organogram was revised to accommodate the cascading of the Performance Management System to all levels by creating a position in the Human Resource Division to coordinate this function. The position has however not been filled yet.

3.2 KPA 2: Basic Service Delivery

Objective: Promote environmentally sound practices and social development

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Environmental Management	% compliance to the environmental legislation checklist	80%	100%	100%	
	Environmental management plan	Reviewed Environmental Management Plan and submitted for inclusion in draft IDP	Review current Environmental management plan and submit for inclusion in draft IDP	Environmental Management Plan reviewed and included in the draft IDP	
	Industrial impact management	44 Evaluations on industrial premises. Responded to 3 air pollution incidents Issued 11 contravention notices 2 final notices and 21 follow up on contraventions. Successful completion of course for EMI's (Industrial) by two officers	Evaluate industrial premises Respond to air pollution incidents Issue contravention notices and follow up on contraventions Attend training course for EMI's (Industrial)	22 Industrial premises were evaluated. 2x mortuaries inspected for the issuing of a Certificate of Competence. 10 contravention notices and 9 follow up notices were issued with the referral to the District Air Quality Officer.	
	Letaba river rehabilitation	Advert for EIA consultant and project manager placed by GTEDA	Coordinate clean-up campaign	Clean up campaign done and meetings to develop a strategy on the removal of alien plants were held.	
	Star grading system	231 evaluations on food handling premises were done. A total of 82 contravention notices and 30 follow up notices. 5 Certificates of Acceptability were issued	Evaluation of food handling premises Issue contravention notices and follow up on contraventions Issuing of certificates of acceptability Arrange and host star grading award ceremony	137 food handling premises evaluated all follow up visits from 1st, 2nd and 3rd quarter visits. A total of 47 follow up notices were issued with 9 final notices, which were handed over to the Legal Division. 3 Certificates of Acceptability were issued to new premises. A total of 32 acts of food recall and condemnation were done with equal number of condemnation certificates issued.	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Vector control	Vector control programme is circulated prior to implementation. All areas were sprayed in an interval of six weeks.	Implementation of vector control program	All municipal work stations were sprayed on a six weekly basis.	
	Water quality monitoring	Total of 256 water samples collected according to the WQMS and 110% of the budget spent.	100% compliance to water quality monitoring schedule and 100% expenditure	94 water samples were taken at predetermined sampling points and in accordance with SANS 241 and 20 milk samples.	
	Environmental monitoring equipment	Not applicable	Apply equipment as per the environmental monitoring schedule	Environmental Monitoring equipment not yet purchased	Supply Chain processes not yet concluded
	Wetland Management	Audits done to check for alien invasive and condition of grassland	Assist with wetland management by ensuring alien vegetation control	Alien invasive removed in the wetland in Park street. The Nkowankowa C park development hampered by the discovery of a grave, negotiations with the family is still going on.	
Disaster management	# of disaster awareness campaigns and preventative programmes	5	5	7	Awareness campaigns done at schools, ward level, farms and also at Traditional Authorities
	# of Annual Disaster Management reports submitted to Council and MDM by July	1	1	1	Only submitted in January '12
	% emergency relief cases responded to within 72-hours	100%	100%	100%	
Community Safety	# of Community Safety forums established and are functional	Not applicable	4	1	Done in collaboration with the SAPS
Safety & Security	R-value of council property lost through theft and damages	R71,099.86	0	R9000	
	Building Access control	Access of personnel and visitors monitored through completion of forms at the security gates, swiping of cards by internal personnel.	Ensure that access to all Council buildings are monitored and access controlled by managing the Security Service Provider. Manage Morphy access control system upon installation. Keep records of complaints regarding	Access of personnel and visitors monitored through completion of forms at the security gates, swiping of cards by internal personnel. Morphy access control system not installed yet	Procurement delayed, due for re-advertisement as only one company responded to the initial advertisement

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			security		
Law Enforcement	R-value revenue collected through law enforcement	Not applicable	No target - Reporting only	R3 062 070	
	Rand value received for fines issued / R value of fines issued (%)	Not applicable	70%	80%	
	# traffic fines issued per quarter	Not applicable	No target - Reporting only	18,601	
	Kukula Ndlela drunken-driving blitz project	8 – Daily routine patrols monitoring drunken driving	Additional roadblocks - 2 (Drunken driving Blitz)	2 roadblocks per week and rely on hospitals for blood-alcohol tests.	
	Minitzani-Bonatsela Traffic centres scholar Education and school points and other clusters	30 Rural schools covered	Conduct road safety education campaigns at rural schools (25)	On hold until July 2012.	No funding.
	GTM Law Enforcement rural outreach and scrappings	Rural operations ongoing daily with scholar patrols, escorts, Law Enforcement. All scrappings are attended to fully.	Conducting rural traffic program as per schedule. Manage and follow up on vehicle scrappings	Rural operations in progress as scheduled	
	Burgersdorp cattle pound	Pound active. Animals mostly dogs brought in by SAPS.	Manage and co-ordinate impounding of stray animals	No impoundment of stray animals for the period	
Waste Management	% Service delivery backlog for solid waste	88%	88%	88%	Budget limitations hampers expansion to rural areas
	R-Value of Free Basic waste removal to affected households	R 3,800,000	R 3 800 000	R 3 800 000	
	Operationalisation of Rural Waste Drop Off Centres (Pilot run)	No progress due to budget limitations	Manage the process of operationalising 5 DOC's as pilots.	* 7x 'Civic - Groups' (pilots) were operationalised at 7x 'demarcated' Waste Service Areas. *The 7 'Civic - Groups' were also registered on the E.P.W.P remuneration scheme.	Due to budget constraints a full service cannot be implemented at the 66x rural W.S.A's
	Collection & Transportation-Curbside collections (Litter picking, Health Care waste, & Bulk removals)	Complied to bulk removal, Health Care waste & litter picking schedules	100% compliance to waste removal schedules	Complied to bulk removal, Health Care waste & litter picking schedules	
	Collection & Transportation-Curbside collections (Bin replacement)	0 bins procured	Procurement of 80 bins	The quotations were advertised and was technically evaluated, awaiting approval from CFO and MM	Approval from CFO and MM outstanding

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Treatment & Disposal(Landfill auditing)	Conducted an External landfill audit during April. Quarterly internal audit on landfill site conducted	Conduct External landfill audit during April Conduct 4th internal audit on landfill site	External landfill audit was not conducted in April. Conduct 4th internal audit on landfill site on 17 June 2012	External audit was not conducted by Prov. Department by 30/06/2012
	Treatment & Disposal (Landfill operations)	96% daily compliance to landfill permit conditions 100% expenditure	90% daily compliance to landfill permit conditions 100% expenditure	95% daily compliance to landfill permit conditions 100% expenditure	
	Pollution Control (Public Toilets)	90% daily compliance to public toilet operations and schedules 100% expenditure	90% daily compliance to public toilet operations and schedules 100% expenditure	100% daily compliance to public toilet operations and schedules 100% expenditure	Lenyenye toilets was operationalised
	Pollution Control(Upgrading ablutions facilities)	Attend to ablution maintenance as per requisition to CEM 100% expenditure	Attend to ablution maintenance as per requisition to CEM 100% expenditure	CEM attends to ablution maintenance request with 75% expenditure. The extension for more toilets to accommodate the visitations was not yet being complied with by CEM.	No extension of ablution facilities due to non alignment of projects with internal departments
Sport, Arts and Culture	Indigenous Games	Cluster games were hosted in July 2010 and Provincial Indigenous game were hosted in September 2010 successfully	Cluster indigenous games postponed to August	Dpt of Sports Arts and Culture postponed the event	Advertisements and Programmes , Reports and minutes.
	OR Tambo games	Cluster O.R Tambo games were held in March. District O. R Tambo games were held in Nkowankowa stadium on the 14 & 15 May 2011. The Provincial O.R games were held from the 24-28/06/2011 at Vhembe	Phase 2 O.R.Tambo games will be coordinated and held at Bulamahlo and Rhelela Clusters where catering will be provided. Phase 2 Local O.R. Tambo Games will be held where all participants will be catered.	Not Applicable, due to change of programme from the Department Sport Arts and Culture. Busy with Farms sport festival	
	Maphungube Arts and Culture Competition	Due to failure to meet of the Arts and Culture committee even was not held. A new committee will be elected. Public Participation will be requested to organise.	Lesedi and Rhelela Clusters visual and performing arts .Local visual and perfuming arts in GTM winners from various clusters compete.	All 4 Cluster Arts and Culture competitions were held on 19 and 20 May 2012. Local Arts and Culture event was held at Nkowankowa stadium on the 09 June 2012	
	GTM Jazz Festival	Jazz festival hosted successfully	Co-ordinate and facilitate arrangements for Jazz festival to be take place on 25 September 2011	Event did not take place	Delay in payments from MDM and signing of SLA

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	SAIMSA Games	SAIMSA games hosted successfully	Co-ordinate and facilitate SAIMSA Games to b held during last week in September	Internal sports attended 2011 SAIMSA games at Swaziland from 25 September to 30 September 2011	
	Artificial Soccer field at Burgersdorp (SAFA)	Construction resumes in March 2011 and will be finished end July 2011.	Monitor the construction of the soccer field at Burgersdorp and provide support on request	Construction is complete and only the electricity is still not connected	
Library Services	Library development and reading promotion	105,485 Library users 107,163 items circulated	84400 Library users 100,000 items circulated	95957 Library Users 170554 items circulated	
	Book related events	4 Holiday programmes arranged and hosted,; 8 large & 12 smaller book related arts & culture events arranged & hosted	3 Holiday programmes and 4 book related arts and culture events arranged and hosted.	3 Holiday programmes and 21 book related arts and culture events arranged and hosted.	
	Annual GTM library Competition	Completed. 701 Learners participated and awards function was held on the 5th of November 2010.	Completed 500 Learners participating in annual library competition	Completed. 1039 Learners participated	
	Assistance to school / community libraries	Pipa Primary provided with a School library management guide, Biblionef forms & 70 books. Gwambeni High provided with a School library management guide, Biblionef forms & 111 books. 5 GTM schools provided with a total of 3324 books by Biblionef as a result of Biblionef forms distributed by Library Services. Tzaneen Mosque provided with 17 children's books and School library management guide. Total 7 schools assisted with starting a school library.	Two schools assisted with at least 300 donated books and School library management guides	Biblionef request forms submitted for 2 schools and Library Management guide provided to 3 schools. 320 Books/childrens magazines donated to schools.	
	Develop libraries at Nkowankowa and GTM Thusong Centres	Attended & participated in 11 NDPG meetings and 5 Shiluvane Library site meetings. Letter written to DSAC re maintenance and	Participate in the NDPG project team, keeping the establishment of libraries as a priority; Forward new library requirements to Provincial Library Services,	Attended 6 NDPG meeting and 6 Shiluvane/Molati site meetings. Requirements re library staff and material for GTM libraries compiled and	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		infrastructure development of GTM libraries. Letter written to MEC, DSAC to request operational funding for Shiluvane Library.	DSA&C, to secure possible funding from National Library Grant.	forwarded to the Provincial Library Services, DSAC	
Youth, Gender & Disability	Youth Strategic Session	Youth strategic session held on 23 June 2011. Resolutions adopted.	Arrange and co-ordinate Youth strategic session during September	Youth strategic session combined with local youth month celebrations on 23 June.	
	Relaunch Of SAWID	Young SAWID launched on 21 August 2010	Arrange and co-ordinate relaunch of SAWID during August	SAWID not launched	Budgetary constraints
	National Women's Month Celebrations	* District launch of the Women's Month held at Mokwakwaila community hall on 3 August 2010. Coordinated a bus that transported Vakhegula-Vakhegula Women's soccer club and Bakgekolo Ba Lenyenye Women's soccer club. * Provincial launch held at Ga-Mphahlele on 9 August 2010. Coordinated 2 buses.	Arrange and co-ordinate national women's month celebrations during August	Transported women to national celebrations, done sexuality rights campaign at Dumela High, Organised 30 NGO's for leadership workshop, women soccer and 70 women in business workshop.	
	National Disability Month Celebrations	Arranged and coordinated a bus for disabled people to the provincial event at Gawula in Giyani on 03/12/2010	Arrange and co-ordinate national disability month celebrations during December	Disabled employees workshop (Entertainment hall), Disabled entrepreneurs workshop (Nkowankowa Comm. Hall) and Disability indaba (Lenyenye Comm. Hall) held successfully.	
	National Youth Month celebrations	Local Youth month celebration held on 24 June 2011 and attended by 450 young people.	Arrange and co-ordinate national youth month celebrations during June	Youth month celebrated by coordinating 4 buses to provincial event at Maruleng on the 16th of June. A local youth month was addressed by the Mayor on the 23rd of June at Lenyenye community hall.	
	Annual Youth Assembly	Assembly held on 8-9 April	Arrange and co-ordinate Annual	Annual Youth Assembly held	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		2011. New leadership elected.	youth assembly during August	at Ivory Tusk lodge on the 15th of June 2012	
	Disability Council Official Launch	Disability council launched by the Mayor on 30 June 2011	Arrange and co-ordinate launch of Disability Council during October	Disability Council was relaunched on the 8th of June 2012 at Ivory Tusk lodge.	
Housing	RDP Housing	All houses completed	Monitor project implementation & Report on progress with RDP housing at Ward 1 (415), Senakwe (150), Senopelwa (115), Ga-pelane (100) and Mantswa (50), Maribethema (75), Tsamahansi (70)	All houses for 2011/12 financial year have been completed .	
	Housing project 2011/12	Monitoring project implementation through meetings, site visits and receiving feedback Three Housing consumer education sessions were conducted covering all the wards plus extra session for Ward 1 and 900 people attended the sessions.	Monitoring project implementation through meetings, site visits and receiving feedback	Housing Consumer Education done for all ward councillors and ward committee members for Bulamahlo and Lesedi cluster	
	20 units for emergence Houses	All units completed by 3rd quarter	Completion of beneficiary lists and attach documents and details Submission of forms to DLG&H Verification of beneficiaries Monitor project implementation to be completed by end of September	All 30 units completed. The units are distributed in the Municipal area.	
	560 units for un blocking of the blocked project. Wards- 4,5,10,11,16,19,23,24,28,29, 30 and 34	100% (continuous monitoring through meetings and site visits)	Continuous monitoring through meetings and site visits	Continuous monitoring through meetings and site visits	The unblocking of units is done in phases depending on availability of funds from COGHSTA.
	Pioneer housing tenants	3 allocated	Allocation and administration of tenants Handling of queries	5 houses were allocated for the financial year. All administration of tenants and Handling of queries were done in consultation with tenants.	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Land Administration	Land acquisition: Nkowankowa Cemetery	100% (negotiations are ongoing with the occupant) Council approval attained in 2010/11	Negotiate the occupant for compensation to release the land to Council	The owner is advised to reduce the price and do it in writing	The owner changed the price from R200.000 to one million hence she has been advised to reduce the price as per the initial agreement.
	Purchase of Ledzee, Yomorna, Shivurali farm	Pending success of negotiations proceed with transfer of property into name of Council	Pending success of negotiations proceed with transfer of property into name of council	Letter to Dept of Public Works and Housing Development Agency for purchase of the three farms on behalf of Council were submitted.	The land claim on the property has delayed the process
	Pusela 6	* Council resolution on Item approved * 100% (all lease agreements has been signed by Tenants) * Included in LG&H's future budget for consideration.	Procurement of service provider and township establishment	Service provider procured	slow procurement process
	Land administration	The Deed of donation has been signed awaiting registration by Deeds office.	Monitoring and follow up on month-to-month lease agreements	All lease agreement is monitored. Portion 292 and 293 the farm Pusela 555 LT is registered on the 20 march 2012 in the name of GTM. Portion 37 Hamawasha has been purchased by Rural development and land reform on behalf of GTM. We are waiting for the transfer of the farm portion to GTM.	The Municipal valuer delayed to submit valuation report of the industrial of sites.
	Land Acquisition: Farm Moime	Not applicable	Report on progress with securing the Farm Moime for cemetery development	Land has been released but no Council resolution from Bakgaga Ba Maake.	Awaiting Council resolution from Bakgaga Ba Maake
	Nkowankowa & Lenyenye land ownership data cleansing	Not applicable	Registration of ownership	Partially done because at Dan Ext 2 only 400 registered,	140 still outstanding - some not registered because they are in wetland area.
	Development of Portion 11 of Mohlaba's location (Bindzulani)	Not applicable	Re-open negotiations with Limpopo Provincial Department of Public Works to develop Bindzulani by December	Not finalised, land transfer still need to take place	Discussions still continuing between Chief Moglaba, Rural Development and LIMDEV

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Transfer of state owned land	Not applicable	Negotiate with Public Works and co-Ordinate the transfer of portion 292 and 293 of the Farm Pusela 555LT, Haenertsburg Town and other state land to Greater Tzaneen Municipality	Portion 292 and 293 of the farm Pusela 555LT has been transferred to Council. Negotiation of the transfer of Haenertsburg Town and Townlands is at an advance stage.	

Objective: Optimise infrastructure investment and services

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Improve access to sustainable and affordable services	5 Year Capital investment framework	No progress	Ensure the 5-Year Capital Investment framework is included in the draft IDP	Not done	Infrastructure sector plans are not available
	Roads Masterplan	Not done	Monitor progress with the drafting of the Roads master plan	Project was not implemented	The project was supposed to be implemented using VAT savings from MIG projects
	Water & Sewer master plan	Not done	Monitor progress with the drafting of the Water & Sewer Master Plans	No funds to implement the project	Project was to be implemented using MIG VAT
Maintenance of Municipal Assets	Cemetery Management	Maintain existing cemeteries and liaise with Land, Property and Housing Division for the acquisition of land for new cemeteries	Maintain existing cemeteries and liaise with Land, Property and Housing Division for the acquisition of land for new cemeteries	Continue with maintenance of existing cemetery	
	Cemetery Register (Rural)	Not applicable	Develop a register for rural graves. Investigate the possibility of logging graves electronically on GIS	Cemetery register is developed and receipt quotes after the closing date for out buying requisition from the 2 printers available on GTM data base	
	Garden management	All gardens are maintained monthly and maintenance plan is available and evaluation sheets are filled by	Maintained all gardens, attend to complaints from the public and keep	Maintain all gardens, attend to complaints from the public and keep a register	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		the supervisor and signed by the contractor.	a register		
	Open space management	Supervise service provider to ensure compliance to the SLA	Supervised service provider to ensure compliance to the SLA	Supervise service provider to ensure compliance to the SLA	
	Purchase Lawn Mowers	Not applicable	Finalise appointment of service provider and finalise procurement of lawn mowers by September	Purchased 10 lawn mowers, 1Xslasher, 6 brush cutters, 3 bush cutters, 2 chain saws and 1 pole pruner	
	Sports and Recreation management	Co-ordinate the maintenance of play apparatus, recreational facilities and stadiums	Co-ordinate the maintenance of play apparatus, recreational facilities and stadiums	Following the maintenance schedule	
Electricity network upgrade and maintenance	R-value electricity maintenance	R 5 267 182.00	R 5 267 182	R 7 289 510	
	Installation of Fire wall protection	25 firewalls installed	Monitor the installation of the firewall protection	28 Fire Walls Installed	
	Airconditioners	All Air conditioners in Municipal Building Maintained	Appoint contractor to install air conditioners on request	14 Air conditioners Installed	
	Auto Reclosers	4 Autoreclosers Installed	Purchase and Installation of 2 new auto reclosers (3 installations in total)	Three auto Reclosers Installed	
	Capital Tools (Outlying)	100 % Completed	Procurement of tools as & when required	New Ladders, Link Sticks & Earth Sets Issued	
	Capital Tools (Town)	Not applicable	Not applicable this quarter	Inverter & Digicap Printer Purchased	
	Reactive and preventive maintenance on overhead lines and equipment (Outlying)	Ongoing maintenance on overhead lines within rural distribution network	Ongoing maintenance on overhead lines within Outlying distribution network	Ongoing maintenance on overhead lines within Outlying distribution network	
	Reactive and preventive maintenance on Town distribution, machinery and equipment (Town)	Reactive and preventive maintenance on urban distribution, machinery and equipment. Spent R 147 900	Reactive and preventive maintenance on Town distribution, machinery and equipment (Town)	Reactive and preventive maintenance on Town distribution, machinery and equipment (Town)	
	Rebuilding of Lines	Rebuilding of Samango 11kv phase 1, Samango 11kv ring, portion of Junction garage 11kv, Pompagalana 11kv and Henley to	Monitor the rebuilding of lines by contractor.	Refurbishment of D/K line, and rebuilding of 11 KV Rapitsi line, Mushuti line, Deerpark and Setuba	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		Eiland 33kv refurbish completed. Total of 66km of line rebuilt		Nursery lines completed	
	Refurbish of distribution network (Outlying)	Ongoing maintenance on rural distribution network	Ongoing maintenance on Outlying distribution network	Ongoing maintenance on Outlying distribution network	
	LED lights for Robots	Not applicable	Not applicable this quarter	LED Lights Purchase and Installed	
	Streetlight Maintenance (Town)	Ongoing maintenance of streetlights	Maintain all street lights in municipal area	Ongoing maintenance on Streetlights	
	Substation Maintenance (Outlying)	Substations maintained - 60%	Ongoing maintenance on substations within Outlying distribution network	Ongoing maintenance on substations within Outlying distribution network	
	Traffic Lights (Town)	All Robots Maintained	Maintain all Robots	All Robots Maintained	
	Distribution Network (Service Contribution)	Not applicable	Allocate funding acquired through service contribution payments to projects for increased capacity	R 6 426 952.05 Allocated as follows: <ul style="list-style-type: none"> • R1 mil Build and equip 33KV Atherstone sub (Georges Valley), • R1 mil Install 3 new mini subs in Tzaneen Town • R4mil to Build and equip new Ext 53 Voortrekker sub) substation – Phase 1 	
	Upgrading Tzaneen Town network including cables		Installation of cable networks as funds become available through services contributions	Construction of 20 MVA substation 66 KV lines and 90 % of cable works completed. R 2m for cable works to be carried over to 12/13 financial year	Awaiting registrations of servitude for prison substation
	Upgrading protection equipment on substations		Installation and commissioning of protection equipment	No Progress	Could not receive quotations in time from supplier
	Vegetation Control Outlying)	Vegetation controlled -2125.66km	Ongoing vegetation control on overhead lines within Outlying distribution network	Ongoing vegetation control on overhead lines within Outlying distribution network	
Maintenance on Water and Sewer Network	R-value spent on water and sanitation infrastructure maintenance	R 11 344 115	R 492 500	R1,816,836.	
	# of service delivery interruptions (water	Not applicable	120	113	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	services)				
	# of households affected through interruptions (water)	Not applicable	6000	4500	
	# of service delivery interruptions (sanitation)	Not applicable	120	89	
	# of households affected through interruptions (sanitation)	Not applicable	6000	5540	
	Mini lab at Sewer Plant	Contractor not yet appointed	Maintain 100% compliance to maintenance schedules. 100% expenditure	Maintain 100% compliance to maintenance schedules. R 288 590. of R 300 000 spent. (Initial budget was R 900 000.00 with R 600 000. transferred to another vote leaving the vote with R 300 000.00	
	Operations and maintenance sewer (distribution networks)	Maintenance completed for 2010/2011 Financial Year.	Maintain 100% compliance to maintenance schedules. 100% expenditure	Maintain 100% compliance to maintenance schedules.(After adjustment the vote had a total of R 1, 735,000 hence the expenditure to date is R 1,528,236.00	
	Operations and maintenance water distribution network	Maintenance completed for 2010/2011 Financial Year.	Maintain 100% compliance to maintenance schedules. 100% expenditure	Maintain 100% compliance to maintenance schedules.(After adjustment the vote had a total of R 735,000 hence the expenditure to date is R 732,991.00	
	Operations and maintenance water purification	The actual maintenance of water works is at 100%	Maintain 100% compliance to maintenance schedules. 100% expenditure	Maintain 100% compliance to maintenance schedules.(After adjustment the vote had a total of R 735,000 hence the expenditure to date is R 732,991.00	Bulk chemicals bought to cater for longer dosages.
	Replacement of air valves at Georges Valley raw water pipeline	80% completed Air valves had been procured. Just waiting for replacement	Replacement of air valves completed by March	Flocculent mixer is installed and operating.	
	Replacement of flocculent mixers	100% completed	Replacement of flocculent mixers 100%	Laboratory upgrade is done.	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			completed by March		
Roads & Storm water upgrading and maintenance	R-value spent on road and storm water maintenance	R 27 691 513	R 6 918 361	R 27 622 503	
	Funeral roads in all clusters	100% compliance to requisitions submitted	100% compliance to requisitions submitted	1824 km funeral and internal streets graded	
	Tar pitching in Haenertsburg	768.410m ² tar pitching	Implementation pending additional funding	31 004m ² tar patching and rebuilding of the street	
	Tar pitching in Lenyenye	5558.016m ² tar pitching completed	Implementation pending additional funding	3902 m ² tar patching	
	Tar pitching in Letsitele	Not tar patching	Implementation pending additional funding	1715 m ² tar patching	
	Tar pitching in Nkowankowa	6086.437m ² tar patching completed	Implementation pending additional funding	5209 m ² tar patching	
	Tar pitching in Tzaneen	4168.385m ² tar patching completed	Implementation pending additional funding	14 897 m ² tar patching	
Maintenance and upgrading of municipal buildings	Aerodrome Maintenance		Maintain the Aerodrome buildings on request	Aerodrome maintenance completed successfully	
	Civic Centre and Community Services painting	The project was not implemented due to cash flow constraints	Finalise quotations and appoint contractor for painting the civic centre. Implement painting programme as per the implementation plan to be completed by 15 December	Project not completed due to insufficient funds	
	Emergency Maintenance	Project is ongoing and maintenance is done according to schedule as and when requested	Conduct emergency maintenance as and when the need requires on all municipal buildings and assets (Including Pioneers Old aged homes & the Aerodrome)	Maintenance is conducted as and when requested by user departments and expenditure is at 97% of allocated budget	
	Municipal house (Letsitele) renovations	Project was not implemented due to cash flow constraints	Not applicable this quarter	Project cancelled	project to implemented next financial year due to budget constraints
	Paving Nkowankowa testing ground	Project was not implemented due to cash flow constraints	Not applicable this quarter	The project will be implemented next financial year due to insufficient funds	The budget has been used to address emergency requests for Air cons in the civic centre offices
	Repairs and maintenance to Tzaneen	Project was not implemented due	Not applicable this	Tzaneen Testing station	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	testing ground	to cash flow constraints	quarter	maintained	
	Securing of Rates Hall and Morphy Access Control system	Not applicable	Not applicable this quarter	A Service provider has been appointed to provide an access control system	Re advertisement delayed progress
Fleet maintenance	R-value maintenance on the fleet / R-value fleet asset as a %	26%	30%	22%	
	Replacement of Vehicles	Fleet maintenance only	Replace old vehicles	102 Vehicles delivered	
Cost Recovery	% of Electricity losses	12.7%	12%	17%	
	R-value of electricity loss	R 20,78 mil	Reporting only - no target	R 3 852 556.61	
	Total kwh electricity loss	37,407,000 kwh	Reporting only - no target	6 341 093 kwh	
	% Water unaccounted for (water losses)	6%	6%	6%	
	R-value of unaccounted water	R 11 472.55	Reporting only - no target	R11,324.00	

Objective: Improve access to sustainable and affordable services

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Accessible services	% of households with access to basic level of water	78%	77%	78%	
	% of households with access to basic level of sanitation	36%	35%	41%	
	% of households with access to basic level of electricity	85%	83%	85%	
	% Households with access to basic level of solid waste removal	12%	11%	12%	
	% households earning less than R1100 with access to basic waste removal	Not available	Not available	Not available	
	% households earning less than R1100 with access to basic electricity	Not available	Reporting only - no target	82.40%	
	% households earning less than R1100 with access to basic water services		Reporting only - no target	1.4%	
	% households earning less than R1100 with access to basic sanitation services		Reporting only - no target	1.2%	
Electricity	R-value sourced to implement electricity	R 45 million	R 114 000 000	R55 350 000	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Infrastructure & Services	recovery plan				
	% electricity backlog (# Households that needs electrical connections / Total # households as %) (Electrification)	16%	11.8%	14.7%	
	# of new electricity connections in licensed distribution area	125	Reporting only - no target	39 New connections and 24 upgrading of connections	
	% increase in Councils' maximum demand (MVA)	100%	Reporting only - no target	7,6%	
	MVA increase of urban capacity	Not yet available	40	40	
	% of poor households served with free basic electricity	76.70%		100.00%	
	Nkowankowa 66KV line	Project started in conjunction with Eskom, service provider appointed to conduct EIA, Purchase of property and registration of servitudes	Projects implemented and completed	Refurbishment of 66 KV Nkowankowa line completed	
	Electrification of Mokgolobotho and Dan Ext 1&2 (Phase 2)		Not applicable this quarter	Project Completed and Energised	
	Pre-paid monitoring system and vending station	Not applicable	Implement pre-paid monitoring system (Flora park - pilot project)	Implementation of pre-paid monitoring systems to be initiated early in 2012/13 financial year	
	Strategic Lighting		Identify areas and install lights	Mandlakazi - 8 Lights Installed Politsi Settlement - Lights Installed Marirone - 8 Lights Installed	
Electrification of villages	Lenyenye 225 units electrification	Not applicable	Monitor progress on project implementation and report to Management	Project Completed and Energised	
	Burgersdorp (76) & Gavaza (113)	Not applicable	Monitor progress on project implementation and report to Management	Project at Construction Phase	
	Serare (338 Units)	Not applicable	Monitor progress on project implementation and report to Management	Project Completed and Energised	
	Mogapeng (145 Units)	Not applicable	Monitor progress on project implementation and report to	Project Completed and Energised	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			Management		
	Miragoma/ Ramochinyadi (264)	Not applicable	Monitor progress on project implementation and report to Management	Project Completed and Energised	
	Makaba electrification (250 units)	Not applicable	100% Construction	Project at Construction Phase (25%)	Late Appointment of Contractor and late Approval of Designs by Eskom
	Mookgo 6 & 7 (146 units)	Not applicable	100% Construction	Project at Construction Phase (60%)	Late Appointment of Contractor and late Approval of Designs by Eskom
	Joppie (186 units) & Mavele (410 Units)	Not applicable	Project at Construction Phase (86%)	Late Appointment of Contractor	Late Appointment of Contractor
Water & Sanitation	m³ increase of water quota	0	3.8million m³	0	
	# of new basic water connections	32	110	89	Depends of new applications
	# metered water connections / total figure of households as %	Not available	0.5%	0.1%: This is very small when comparing with total households of 89/ 99117: which is 0.08	Depends of new applications
Water and sewer infrastructure	Lenyenye water and sewer connections	Not applicable	Implementation and monitoring	Service provider appointed busy with designs	SCM process delayed the appointment of the service provider
	Nkowankowa C Section water and sewer connections	Not applicable	Implementation and monitoring	Service provider appointed busy with designs	SCM process delayed the appointment of the service provider
	Preparation for Laboratory Accreditation	Not applicable	Implementation and monitoring	Waiting for Bid Evaluation Committee to evaluate	SCM process delayed the appointment of the service provider
Roads & Stormwater infrastructure	% MIG funding spent	76%	100%	61%	1 Project on hold due to court interdict.
	# of MIG projects on schedule	5	2	1	1 Project on hold due to court interdict.
	Km of newly tarred roads		21	0	Multiyear road projects
	Senakwe to Maropalala		Procurement and appointment of Service Provider	Tender stage for appointment of contractor	
	Speed humps		Implementation of 33 speed humps	100 speed humps completed	
	Mopye low level bridge		Monitoring and completion	Consultant appointed and have just completed the designs	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Thlako to Sefolwe village low level bridge		Monitoring and completion	Consultant appointed and have just completed the designs	
	Politsi low level bridge		Monitoring and completion	Consultant appointed and have just completed the designs	
	Regravelling of internal streets in Bulamahlo cluster	50% maintained	Implementation pending additional funding	22 km regravelled	
	Regravelling of internal streets in Lesedi cluster	100% maintained	Implementation pending additional funding	13.4 km regravelled	
	Regravelling of internal streets in Raelela cluster	100% maintained	Implementation pending additional funding	23 km regravelled	
	Regravelling of internal streets in Runnymede cluster	100% maintained	Implementation pending additional funding	34 km regravelled	
	Side walk and pavements in Haenertsburg	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	250 m2 side walk paved	
	Side walk and pavements in Lenyenye	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	270 m2 side walk paved	Shortage of labourers to address all areas simultaneously
	Side walk and pavements in Letsitele	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	65 m2 side walk paved	Shortage of labourers to address all areas simultaneously
	Side walk and pavements in Nkowankowa	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	620 m2 side walk paved	
	Side walk and pavements in Tzaneen	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	530 m ² side walk paved	
	Storm water management in Haenertsburg	No progress Insufficient funds due to diverting of the budget to the	100% compliance to planned maintenance	17m stormwater pipe system installed	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		roads which were critically damaged by the floods in January 2011.	schedule and eradication of backlogs spending to be at 100%		
	Storm water management in Lenyenye	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	cleaning of 100m stone pitching and 55 catch pits	
	Storm water management in Letsitele	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	cleaning of 42 catch pits	
	Storm water management in Nkowankowa	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	890m ² stone pitching constructed and two concrete drifts. 22m stormwater pipe system installed and 105 catch pits cleaned.	
	Storm water management in Tzaneen	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	cleaning and repair of 35 catch pits and 19m stormwater pipe system installed and replacement of sub-drains	
	Stormwater management at Bulamahlo Thusong centres	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	2 concrete drifts and 400m ² stone pitching constructed and installation of 16m storm water pipe system	
	Stormwater management at Lesedi Thusong centres	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	1050m ² stone pitching constructed and installation of 16m storm water pipe system	
	Stormwater management at Relela Thusong centres	No progress Insufficient funds due to diverting of the budget to the roads which were critically damaged by the floods in January 2011.	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	Installation of 3 concrete drift, 1 set of pipes and 2 culverts and 3 v-drains	
	Stormwater management at Runnymede Thusong centres	No progress Insufficient funds due to diverting of the budget to the	100% compliance to planned maintenance	Maintenance of a culvert and low level bridge, construction	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		roads which were critically damaged by the floods in January 2011.	schedule and eradication of backlogs spending to be at 100%	of 2 culverts and 3 concrete drifts and 1 v-drain	
	Tar patching of sand seal roads	No progress Insufficient funds due to diverting of the budget to the roads which where critically damaged by the floods in January 2011.	Implementation pending additional funding	1297 m² tar patching	
	Installation of storm water drain at Nkowankowa B	Not applicable	100% compliance to planned maintenance schedule and eradication of backlogs spending to be at 100%	Completed in September 2011	
	Ramotshinyadi to Mokhwati Tar road (11km)	Consultant appointed, out on tender, awaiting appointment of contractor	Implementation and monitoring	Construction in progress and is at 42% physical progress	
	Sasekani to Nkowankowa Tar road (8 km)	Consultant appointed, out on tender, awaiting appointment of contractor	Implementation and monitoring	Construction on hold due to court interdict	
Health & Wellbeing	HIV/Aids management	Workshop for peer educators conducted during Dec month. Refreshes course for peer educators conducted in February 2011. Workshop and refresher course and debriefing done.	No activities	Position vacant	
	HIV/Aids theme day celebrations	Partnership against AIDS which focused on counseling and testing was done for Boxer & Shoprite. Red Ribbon month & world AIDS day theme celebrations. Supported Dept of health in preparations for and hosting of World TB day.	No activities	Position vacant	
	HIV/Aids seminars for target groups	Seminar targeting youth with the topic:" Role of youth in the fight against HIV/AIDS" was held in March 2011 at the Nkowankowa community hall	No activities	Position vacant	
Licensing	R-value generated for vehicle registration (Agency agreement)	R24,419,793	No target	R16 171 186	
	R-value generated by the issuing of learners and drivers licenses	R7,986,239	No target	R8 405 209	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	Dog licenses and temporary advertisement	Process dog licenses and temporary advertisement applications. Update register continuously	Attend to and resolve all complaints received relating to Dog licenses and temporary advertisements. Keep a register of complaints	No complaints received	
	Learners and Drivers and Professional Drivers Permits	Ensure that applications for learners, drivers and Professional Drivers permits are processed	Ensure that applications for learners, drivers and Professional Drivers permits are processed	Issued 6869 L/L Issued 16419 D/L Issued 3453 Prdp's	
	Vehicle registration and licensing	Actual achieved June 2011 for vehicle registration 12364 and vehicle license 47109	Ensure that all vehicle registration and licensing applications are processed within a reasonable time	V/Registration 12827 and 50488 renewals were done	
Cemetery infrastructure	Cemetery Development	None	Prioritise and fence cemeteries	Service provider appointed in March 2012 to do an EIA for the new Lenyenye cemetery as this cemetery was prioritised	Failed to resume with EIA due to shortage of documentation from the Tribal Authority for applying to conduct the study LEDET

Measures taken to improve performance with relation to KPA2

- *Traffic Fines* - Roadblocks were held at strategic points where the ID numbers of drivers were checked to identify drivers with outstanding traffic fines
- *Water provision* - GTM retained Blue Drop Certification (BDC) for water purification, by continuously ensuring adherence to the requirements. A laboratory was also established to enable GTM to test water locally and ensure that water quality is continuously improved.
- *Electricity* - improving communication with the community by sending sms's and having meetings with customers has resulted in creating an awareness for the challenges faced and increased cooperation from especially farmers who is now assisting GTM in clearing lines
- *Cemeteries* - Register of rural graves has been initiated. Funeral parlours were approached to partner with GTM in cemetery maintenance as most rural cemeteries are maintained by volunteers with their own tools and equipment. So far, one agreed to assist Matupa and Ward 27 with protective clothing for the volunteers.

- *Housing* - Housing administration was improved by updating the housing database annually instead of every 3 years. RDP beneficiary lists were submitted to COGHSTA 1 year ahead of time. A farm labour housing project was initiated with 70 units completed in 3 months. The involvement of the National Housing Development Agency was secured to expedite land purchase and transfers. Furthermore, the involvement of CDW's and Sector Departments in the housing projects were improved by hosting workshops, where they were trained on housing initiatives such as how CDW's could assist with the identification of housing beneficiaries.
- *Sports* - Indoor sports facility planned for Nkowankowa and 24 coaches were appointed from the community and deployed to 9 schools to assist with preparing children for utilising the facility upon completion.

3.3 KPA 3: Local Economic Development

Objective: Create community beneficiation and empowerment opportunities

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Community Based Planning	Community Based planning revival	Service providers came to present proposals. No appointment	Liaise with COGTA to ensure the appointment of service provider to revive the CBP. Alternatively capacitate employees to facilitate CBP	No progress	COGTA did not have funding for CBP during this financial year
Poverty Reduction and empowerment	# of jobs created through municipal LED initiatives	2997	No target - reporting only	3103	
	Number of jobs created through municipal capital projects (women)	ESD (124) EED (16)	No target	114	
	Number of jobs created through municipal capital projects (youth)	ESD (222) EED (31)	No target	269	
	Number of jobs created through municipal capital projects (disabled)	ESD (0) EED (1)	No target	15	
Agriculture	# of agricultural projects supported	8	6	6	
	Land Reform/Agriculture project support	Land Reform Support and Development Forum was held on 27th October 2010. Task team meetings held on 12th October 2010 and 23rd March 2011 including visit to 3 farms. Monthly meetings for Tours project held.	Facilitate land reform forum meetingAttend monthly and quarterly meetings for identified agricultural projects and facilitate services to be provided to the identified projects (Tours, Mokgolobotho, Sapekoe, Banareng, Bathlabine, Kgatle, Mkomomonto, Maitjeng and Boalpye)	No Land Reform meeting held. Appointed of Vumelana to assist Mamathola project by Rural Development. Currently advertised for request for proposals.	
	Sapekoe Tea Estate	1 steering committee meeting was held on 29 June 2011 . Four staff members have been awarded (houses) accommodation at the Estate, service providers have been procured to fix electrical and plumbing connections. Total	Coordinating and facilitating steering committee meetings. Monitoring the rehabilitation process.	1.Facilitated payment of monthly salaries 2.Monthly progress report developed and submitted to LADC and the steering committee. 3. Members of NCOP visited	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		<p>employed as at end June 2011 is 520 employees. 5 workers were discharged in the same period, (resignations). Current book strength is 520. Conducted interviews for Graded (understudy) Staff Positions. To date a total of 150.30 ha's in both Divisions have been completed.55.84 ha's pruned for the month of June 2011.This constitutes 29.9% of the total farm area to be pruned. The standard of work is gradually improving considering that the majority of the workers are still learning the art of pruning tea bushes. Training of pruners is ongoing and there have been improvements in the quality of current work than in the recent past.</p>		<p>the project on the 19th April and were addressed by GTEDA CEO. 4. A service provider has been appointed for security at the Estate. 5.An application for investors at Makgoba farms has been concluded, awaiting response from potential investors.. 6.Painting of buildings has been concluded. 7. A meeting has been secured with new MEC for Agriculture to discuss the way forward and future of the project. 8.A Service provider has been appointed, facilitated the handing -over of Pekoeview restaurant by Mak-rase group of companies (new operators).for the Pekoe view restaurant and club house including add on activities such as quad bikes and hiking trails. 9.Engaged LADC and JJN Accountants to finalise 2012/13 budget 10.Facilitated training of 12 staff members on First Aid and Occupational Health Safety respectively. 11.A R15 million budget has been approved for 2012/2013 financial year . 12. A budget adjustment was done to align the approved amount with requirements</p>	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
				for the new financial year. 13. Initiated discussions with Mopani District Municipality for a possible additional funding of R5 million. 14. Application for Investors by Makgoba farms is at a second phase.	
	Livestock Improvements	Two cooperatives specialising in tannery and Leather making have been registered with CIPRO, business plan development for Tannery us underway for marketing	Rolling out implementation plan for funding of leather making and Tannery.	1. Specifications/bill of quantities for repairs of the leather making factory has been generated and advertised. 2. An advert for training and technical designs has been issued and a service provider will be employed soon. 3.Four contractors employed to do general repairs and renovations and connect electricity at the factory . 4. 3 machines delivered by UNO sewing on 17 May 2012 - 10 staff members trained. 5.Project roll out according to project implementation plan 6.Facilitated training for workers on new equipment 7.Development of work plan and logistical arrangements 8.The CEO resolved to speed up renovations of the factory through Developmental funds as Limdev will not complete renovations before the end of 2012.	There is not enough funding this fiscal year to meet project requirements for the tannery

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
				The tannery project has been put on hold	
	Restituted farms	Engaged the Kgatle in terms of business venture.	Attend quarterly meetings Develop land restitution support programme for the agency	An application for investors for Makgoba farms and Mmahlola has been finalised, awaiting outcome from potential investors.	
	Subtropical Fruit and Nut Cluster	Blue berry business plan completed. The project is in progress	Marketing to secure funding of the project.	<p>1. Follow-up made with Seobi who indicated that the matter is still under discussion.</p> <p>2. Briefing session held on 30/5/2012 with CEO of SEOBI (Mr. Levenson), he indicated that they are planning to open a branch in Limpopo and have secured markets in Europe. 100 hectares is needed to grow plants for oil extraction, stakeholder engagements are taking place. Finalising development of business plan for oil extraction.</p> <p>BLUEBERRY Proposal submitted to IDC will be implemented in the new financial year if approved, hence no progress has been registered. Provide support to IDC on the development of implementation of feasibility studies and implementation plan</p>	
	Letaba Egg Production (Yingisani School)	Business plan has been finalised and submitted to various departments and organisations for funding	Monitor implementation and submit progress reports	<p>1. A fundraising event will be incorporated with Mandela day event to raise funds for the school.</p> <p>2. A plan has been finalised. 1. Facilitated a</p>	Lack of sponsors to assist the school with infrastructural development. We have invited Tzaneen Chamber of Commerce as strategic partners who will

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
				meeting on the 22nd May 2012 between GTM and Tzaneen Chamber of Commerce to discuss possible interventions of assisting Yingisani school for the deaf during Mandela Day celebrations. 3. Visited the school(Yingisani) on the 29th May 2012 with members of GTM and Tzaneen Chamber of Commerce to interact with management of the school and identify needs for the school. 4. Monitoring implementation of project and submit progress reports to the board	recruit sponsors to assist the school.
	GTEDA support	9 Board Sitings attended in which; 7 were Board Meetings , 1 strategic Session and 1 Budget Meeting	Provide continuous support to GTEDA to ensure self-sustainability. Attend board and monthly meetings as per invitation and schedule	5 Board meetings Funding approved for 2012/13 financial year.	
Poverty reduction and empowerment	Hawkers facilities	Approved plans for hawkers infrastructure with LEDET.	Funding not yet approved. Secure funding	Funding secured designs underway	
	LED strategy review	In progress, review to be advertised.	Revised LED strategy adopted by Council with IDP	Consultative meeting with stakeholders took place on the week 16 to 24 April. 2nd draft was presented on the 10 May and final consolidated draft on the 19 June to Economic cluster.	
	Socio economic projects	Held event in Thabina blessed by the presence of the Honorable Deputy Minister. Letter for the request of extension of the project was send to the national office.	Provide support to Bathlabine conservation; CWP, EPWP and other CBO's and NGO projects	Extended CWP to the 6th ward i.e. Ward 22 - 400 people to be employed.	
Tourism	Tourism Events	Attended the 2011 Tourism Indaba	"Co-ordinate tourism	Arrive Alive was held on the	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		from the 07th to the 10th of May 2011.	activities as per annual calendar and in conjunction with business and marketing division Facilitate LTA meetings	5 April . Indaba was attended from the 12-15 May 2012 at Durban ICC.	
	Mefakeng Tourism projects and Khalanga Lodge support	Supported the renovation of Mefakeng and attended the Kalanga PAC meeting.	Review model of Mefakeng project and role in Khalanga Lodge project and submit to Council for approval	Khalanga PSC monthly meetings were attended on 19 April, 24 April, 09 May and 29 June 2012 . PSC for Mefakeng was held on 08 May . PSC Meeting was held on the 5, 6, 12, 13/05/2012. A meeting was held on 6/06/2012 between the PSC and the Legal Division. Site inspections were conducted for Sekgopo on the 19/06/2012 and Mohlaba on the 20/06/2012.	
	LTA events	8 LTA meetings facilitated. Projects submitted for GTM support were received from Businesses and a criteria for support was requested from the business	"Facilitate LTA meetings Provide support for implementation of LTA events and campaigns"	Arrive Alive on the 5th of April, 4 preparatory meetings for Indaba on 10th 17th of April and 4th of May. Attended the Indaba show from the 12th to 15th of May.	
	GTM Tourism framework	Not applicable	Approach investors for investment for identified projects.	"1.Feasibility study conducted, adjudication over identified opportunities of the studies is underway. 2.Presented opportunities identified by the study to potential investors during the Tshwane International Trade and Infrastructure Investment Conference (TITIC) which was held on 22-25 May 2012.	
	Letaba River Mile	Requested for proposals for Environmental Impact assessment and Technical Designs from potential service providers, the	Facilitation of EIA recommendations.	"1.Calls for proposals for EIA and technical designs were not adjudicated as only 2 bidders submitted	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
		closing date is the 15th July 2011		applications, it was re-advertised and will be adjudicated. 3. Presented opportunities identified by the study to potential investors during the Tshwane International Trade and Infrastructure Investment Conference(TITIC).	

Objective: Create a stable and enabling economic environment by attracting suitable investors

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Business development support	Investor Conference	Postponed to 2011/12 financial year	Coordinate an investor conference in consultation and with the support of GTEDA by March	No progress reported during period under review	No funding available
Economic Growth and Investment	# of GTEDA board meetings attended	9	4	4	
	% of Serviced proclaimed sites sold	100%	100%	100%	
	# of committed investors attracted through GTEDA	Not applicable	3	1	IMM EARTH (Investor for Tours)
	Alienation of sites	Not applicable	Manage the alienation of sites. Identify available land for alienation. Prepare documentation for the servicing of sites and implementation to ESD and submit to CFO for advertising and awarding of bids.	"50 51 sites at Dan Ext 1 are serviced and 30 in the Industrial area identified for alienation. But not alienated due to delay by Municipal valuer to submit valuation report of the industrial sites.	The Municipal valuer delayed to submit valuation report of the industrial sites.
Community Works programme	Number of job opportunities created through the CWP	2000	2000	2055	
	Number of wards per municipality implementing the CWP	5	5	5	
	Nr of cooperatives established and still functional in wards where the CWP is	3	3	3	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	implemented				
Integrated Development Planning	2030 Growth and development strategy document	The allocated funding transferred to another project - Nkowankowa Local Area Plan	"Final guidelines of Vision 2030 adopted by newly elected Council	Co-ordinate task team meetings" 2012 Strategic Session identified issues to be taken into account with the development of the strategy	
	Formalisation of informal settlements		Monitor the Formalisation of townships by DLGH. Liaise with DLGH to fast track the appointment of service providers	EIA finalised at Gapelana	

Objective: Integrated Developmental Planning

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Integrated Spatial Development	% of capital spent in the priority areas identified in Spatial Development Framework	100%	100%	100%	
	Demarcation of rural sites	All demarcated sites were handed over to the relevant Traditional Authorities	Hand over of sites to traditional authorities for allocation	Awaiting finalization of the EIA and letter of approval from RURAL DEPT	slow EIA process
	Township establishment - Shiluvane Library	3 Outstanding applications: Tzaneen Ext 98 Beaconsfield Taganashoek	Proclamation	Service provider just been appointed	slow procurement process
	Implementation of Nkowankowa Local Area Plan	Not applicable	Approval and construction of Retail Complex	Local Area Plan Adopted BY Council	
	Review of Tzaneen Nodal Plan	Not applicable	Proclamation of Nodal Plan	Project carried over to next financial year	No response from suitable bidders received
	Formulation of Density Policy (social contribution)	Not applicable	Implementation of Policy	Policy not developed, project carried over to next financial year	No response from suitable bidders received
	Formulation of Tavern Policy	Not applicable	Implementation of Policy	Policy adopted by cluster,	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
				still to go to Council for approval	
	Pusela 6 - Township Establishment	Not applicable	Hand over to Housing	Service provider procured	Slow procurement process
	Monitoring of compliance to town planning scheme	Not applicable	Issuing of contravention notices, monitoring and recommendation for litigation	Four notices issued	
	Spatial Development Framework	Two workshops held with officials and Councilors	No activity planned		
Integrated Development planning	2030 Growth & Development Strategy	Not implemented	New guidelines for Vision 2030 adopted by new Council	2012 Strategic Session identified issues to be taken into account with the development of the strategy	
	Rural Nodal Development Plans Bulamahlo (Community Centre)	Feasibility study completed in May, nodal plan not ready	Proclaimed Township by 30 June	Service provider appointed - no progress yet	Slow procurement process
Township Revitalisation	# of NDPG projects finalised	2	3	2	Ritavi and Cemetery only
	# of monthly NDPG meetings	22	12	9	
	Establishment of intermodal Taxi rank		Funding not yet approved	Funding secured designs underway	
	Development of Hawkers Facilities		Funding not yet approved	Funding secured designs underway	
	Provision of High mast lights		Funding not yet approved	Project on hold	No funds available from Treasury
	Rural Broadband connectivity		Maintain broadband infrastructure	90% Implemented. All required equipments secured and installed by the Service Provider.	Awaiting License from ICASA to activate satellite connectivity.

Measures taken to improve performance with relation to KPA 3

- *LED* - megaprojects managed by GTEDA to ensure that all stakeholders are involved e.g. Sapekoe Tea estate is being revitalised and a steering committee was established comprising of GTM, GTEDA, Dept Agriculture and Limpopo Agriculture Development Agency (LADA)
- *Community Works Programme* - Programmes was implemented in 5 wards and has created more than 2000 job opportunities targeted at indigents. The programme will be expanded on an incremental basis until 2014

3.4 KPA 4: Municipal Financial Viability and Management

Objective: Increase Financial Viability

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Financial viability	Cost coverage ratio	1.64	0.11	2.32	
	Debt coverage ratio	17.65	9	35.77	
	Outstanding service debtors to revenue ratio	101%	100%	68%	
	Operation Clean Audit	Officials received training on Promis, ASB (Accounting Standards Board) - GRAP compliance and attended IMFO Seminar	Implementation of the Clean Audit Action plan	Audit action plan approved and implemented	
	GRAP Training and Financial System improvement	Capacity building, skills transfer and support with the compilation and updating of the fixed asset register	Comprehensive system analysis and official training	GRAP training conducted	
	5 Year Financial Plan	Only 3 year plan in IDP	Submit 5 Year Financial plan to the MM for inclusion in the draft IDP.	Not done	
Indigent management	Indigent register policy	Updating of indigent register done internally	Consolidate and submit indigent write offs report for approval by Council.	Indigent write off's report submitted to Council	
Administration	Timely submission of annual financial statements	31-Aug-10	31-Aug-11	31-Aug-11	
Debt management	% of Loan amount utilised for capital projects	100%	100%	85%	Loan was approved late
	R-value outstanding service debtors	R 205 000 000	R192 000 000	R 230 087 802	
	Average % Payment rate for municipal area	90%	90%	93%	
	R-value total debts written off annually	R 10 000 000	R 13 728 913	R 62 000 000	UMS appointed to clean data
	% Payment rate - Tzaneen (urban)	100%	100%	99%	
	% Payment rate -Tzaneen (rural)	100%	100%	92%	
	% Payment rate -Nkowankowa	10%	10%	29%	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	% Payment rate -Lenyenye	10%	10%	40%	
	% Payment rate -Letsitele	100%	100%	111%	
	% Payment rate -Haenertsburg	90%	90%	92%	
Financial Management and Budgeting	% variance from annual Legislated Budget timetables	0%	0%	0%	
	% of budget allocated for training and development (SDP)	1.30%	1.32%	1.39%	
	% Operating budget for Councillor allowances (Councillor allowances budgeted / total operating budget)	3.1%	2.25%	2.26%	
	% General expenses budget / Operating expenses budget	12%	10%	11%	
Municipal Assets	% GRAP compliance (asset register)	100%	100%	100%	
Reduced corruption	Functional supply chain management system (% functionality)	100%	100%	100%	
Revenue management	% reduction in rates and services billed, not recovered	2%	38%	30%	Money reverted back to national treasury
	% Revenue from grants	36%	37%	19%	Delays with the appointment of contractors and consultants by supply chain (procurement processes takes too long). 2 the basic environmental impact assessment processes also takes long. Delays with the issuing of ROD (mining permit) by the department of minerals and energy. The permit was applied for in June 2011, till to date it has not been issued and this means the contractor on site cannot mine any borrow pits without the permit
	R-value MIG funding / R-Value Capital budget	22%	100%	95%	Money reverted back

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	as %				to national treasury due to under spending on conditional grants
	% equitable share received	100%	100%	100%	
	% compliance to revenue enhancement strategy implementation plan	100%	38%	30%	Money reverted back to national treasury
Revenue enhancement	Revenue enhancement Strategy	Draft by-laws ready for publication. Investigation of credit control measures to enhance revenue. Property rates tariffs revised during budget process	Submit revised strategy to Council for approval by May	Revenue enhancement strategy was revised and presented to Council	
	Update Valuation Roll	Advertised supplementary Valuation Roll, letters sent to people whose properties were evaluated and they were invited to object if they are not satisfied with the outcome	Review of valuation roll Publicise supplementary valuation roll	Supplementary valuation roll publicised and new tender in process	
Supply chain management	# of Tenders awarded that deviated from the adjudication committee recommendations	2	0	0	
	% of Bids awarded within 2 weeks after adjudication committee resolution	100%	100%	100%	
	Total R-value of contracts awarded during the financial year	R 101 817 715.00	Reporting only - no target	R 138 055 183.51	
	Average time taken from tender advertisement to submission of recommendation to the MM (# of weeks)	7.39	8	12	
	Supply chain functionality improvement (MTAS)		Draft a list of criteria to measure SCM functionality. Report quarterly on progress made on improving functionality	A bid register was developed to monitor SCM functionality	

Measures taken to improve performance with relation to KPA4

- *Supply Chain Management* - bid register was introduced to track progress of all bids and improve turnaround time
- Revenue enhancement and credit control was improved by appointing UMS to do data cleansing and improve credit control by identifying write-offs
- *Clean audit* - a consultancy was appointed to update the asset register and to ensure that it balances with trial balance, furthermore, assets will be linked to a GPS coordinate
- An action plan was drafted to address the queries raised by the AG in the previous audit
- *Financial reporting* - an auditing firm was appointed to review the financial statements prior to submission to the AG to ensure compliance to GRAP

3.5 KPA 5: Good Governance and Public Participation

Objective: Develop effective and sustainable stakeholder relations

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Client satisfaction	% Community satisfaction rating	not available	50%	50%	
Customer Care	Mayoral Hotline and Integration with collaborator	Not implemented	Manage customer call centre and hotline and report to Council on response time	50% implemented. Specification prepared by the Department given to SCM to process. Awaiting appointment of Service Provider to implement the project.	Awaiting for the conclusion of the Supply Chain Management Processes for the appointment of the Service Provider
Public Participation	% of functional ward committees in terms of the new model	100%	100%	100%	
	Number of ward committee management meetings held	306	408	408	
	Percentage attendance by Ward Committee members	100%	100%	100%	
	Number of community meetings held	4	4	4	
	Public Participation management	Public Participation programme drafted	Draft Public Participation programme for 2011/12, submit to Council by 30 July '11. Coordinate and facilitate public participation sessions as per the approved programme	PPP developed and monthly reports submitted to Council.	
Integrated Development Planning	IDP stakeholder register	Developed	Report to Council on the % of Registered Stakeholders that attend Quarterly Repforum meetings	Stakeholders are attending the Rep forum meetings	
Inter-governmental relations	% of issues raised during Imbizos resolved within the financial year	100%	100%	0	Imbizo's postponed due to poor Communication with Stakeholders

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
	% of MM forum and technical working group meeting resolutions implemented	100%	100%	100%	
	# of quarterly reports from MDM council representatives	0	4	0	No reports were submitted
	% of premier IGR resolutions implemented	95%	100%	98%	
	# of District MM Forum attended	1	Not target - reporting only	1	
Communication	Batho Pele	Name tags issued to all service employees in June			
	Internal and External Communication	3 newsletters produced & distributed	Collect news from various departments. Develop Quarterly Newsletters. Compile monthly internal newsletter	All publications were released as per planning schedule.	
	Media Relations	Media networking session held after Strategic Planning Session & 2 Media Briefings. Media briefing to report on the Back to school campaign	Plan and ensure successful networking session.	Only one networking session held in November 2011	Postponement of arranged sessions
	Communication Strategy	Strategy revised	Submit revised Communication strategy to Council for approval by 30 November '11 Ensure that all Official communication activities are in line with the approved strategy	2010/2011 strategy revised and adopted in the 1st quarter of the 2011/2012 financial year.	
Marketing	Design of the Municipal flag	Completed not yet presented to Council	Registration with the Heraldry. Presentation of the flag and hanging.	Registration process finalised. Municipal flag purchased. To be hanged on 18 October 2011.	
	Digital Video Cameras (2)	Not applicable	1 Video Camera purchased	Insufficient funding	1 Video Camera purchased
	Digital Cameras (2)	Not applicable	Only 1 digital camera purchased.		Only 1 digital camera purchased.
	Branding equipment	Not applicable	2 Gazebos, 2 Telescopic, 2 Pull-Ups, 2 Flags purchased.		2 Gazebos, 2 Telescopic, 2 Pull-Ups, 2 Flags purchased.

Objective: Efficient and Effective administration

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Communication system	Maintenance Contract Tally-Genicom line printers	Supply Chain Management process in progress	Monitor implementation of SLA for maintenance of Tally-Genicom line printers	Maintenance and repairs of the printers done as required	
Council Structures	% of Council resolutions implemented	48%	100%	95%	
	# of Council sittings	4 Normal 5 Special	4	4 7 special	
Meeting Management	# Management meetings	20	52	22	Target not reached due to other municipal commitments
Sound Governance	% of reported cases of corruption prosecuted	0%	100%	0%	No cases reported
	# of quarterly internal audit reports submitted to audit committee	5	4	4	
	% of Audit queries responded to within 14 days	100%	100%	100%	
	# of MTAS reports submitted on time		3	3	
Information Management	% Daily Data and mail backup available	100%	100%	100%	
	% of printing faults attended to within 1 working day	100%	100%	100%	
	% of Attendance to IT faults within 24Hours.	100%	100%	100%	
	% of workstations with access to IT network	95%	95%	100%	
	hrs downtime for outside work stations	New indicator	0	0	
	# of website updates	New indicator	Reporting only - no target	21	
Legal Support	R-value spent on external legal fees	R2,308,465	Reporting only - no target	R4,5 Million	Municipality currently engaged in number of cases before High Court
Personnel management system	% Personnel costs / Operating expenses (excl Salaries of councilors)	29.27%	35%	22%	
Meeting management	# of LED Thrust Meetings	0	0	0	TOR to be reviewed by IDP office, not done
	# of Governance Thrust meetings held	0	0	0	
	# of Service Delivery Thrust meetings	0	0	0	

Objective: Develop and build skilled and knowledgeable workforce

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Capacity Building and Training	% compliance to Workplace Skills plan	66%	100%	15.3%	Training vote not part of Personnel budget. WSP funds only 15.3% spent as WSP funds used for CPMD training
	# of Sec 57 managers undergone CPMD Training		3	3	
	Workplace Skills Plan	WSP for 2011/2012 submitted before 30/06/11	Submit WSP before 30 June '12	WSP for 2012/2013 submitted before 30/06/11	

Objective: Attract and retain best human capital to become employer of choice

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
Employee satisfaction and well-being	% Staff turnover (Levels 1-6)	5%	5.9%	4.6%	Low staff turnover
Employment equity	# of people from employment equity target groups employed in the three highest levels of management	20	21	19	Termination of MM contract
	% Compliance to Employment Equity plan	100%	100%	100%	
Occupational Health and Safety	Occupational Health and Safety Environment Risk assessment	18 OHS meetings held. Only 9 incidences	18	18	
Employee Wellness	Employee Wellness Day	2 days were arranged	1	2 arranged	Need identified for additional wellness day
Labour relations management	% of critical posts filled	100%	100%	100%	
	# Industrial actions	0	0	3	Remuneration disputes
	Local Labour Forum	7 LLF meetings held	Arrange Local Labour Forum meetings. Assist with resolving disputes and	10 LLF meetings took place	

Programme	Project/ KPI	Actual Achieved (30 June 2011)	Annual Target (2011/12)	Actual Achieved (30 June 2012)	Reason for deviation
			complaints. Monitor and advise on labour policies and procedures		
Employee retention	Employee Retention Strategy	Council requested that strategy be amended	Revise the draft Employee Retention strategy and submit to Council for approval by 30 September	Council requested to be workshopped on the Employee Retention policy prior to approval	
Organisational Design	Total Number of staff employed in the municipality	609	Reporting only	651	
	Number of budgeted posts vacant for more than three months during the financial year	45	Reporting only	12	
	Total Number of Section 57 staff employed	6	8	5	
	Number of Section 57 posts vacant for more than three months	0	1	3	

Measures taken to improve performance with relation to KPA 5

- *Human Resource Management* - the employee wellness programme was expanded to include an additional wellness day to address the need that was identified.
- *Capacity building* - In addition to Directors, Managers were also enrolled for the CPMD course to build managerial capacity
- *Information Technology* - The IT network at GTM underwent a major revamp with cabling replaced and new computers and new servers provided on a rental basis. This has greatly assisted in reducing down-time and ensuring data security.

ANNEXURE D

4. Aspects to improve performance per KPA

Considering the overall performance of GTM the following issues needs to be addressed in order to improve future performance:

KPA 1: Municipal Transformation and Organisational Development:

- a) IDP: As in the past, the adherence to the timeframes set in the IDP/Budget & PM process plan was poor. This must improve to ensure that all phases of the process are given sufficient time to be done as planned, to ensure that integration and alignment is achieved. A huge shortcoming of the IDP process is the inability to prioritise projects for 5 years as to allow a proper project planning process to be followed. The year by year method of prioritization results in projects not being finalized on time as the SCM process takes too long. If projects are prioritized for 5-years and adopted in the IDP, project planning can commence in the financial year prior to actual implementation.
- b) Funding the IDP "strategy": Strategic interventions are planned but not funded e.g. CBP, Infrastructure Plans and Vision 2030. These initiatives, prioritised through the IDP, but not funded or developed internally, raises doubt over the credibility of the IDP with strategies not determining the projects that are funded in the end.
- c) Public participation in target setting and performance monitoring: The MSA requires the community to be involved in setting performance targets. Ideally the Representative Forum should be the mechanism to ensure that this is achieved. As in the past, due to the non-adherence to IDP process plan timeframes, sufficient time has never been available to consult the community on the KPIs contained in the IDP they are merely informed of the KPIs already contained in the IDP. The IDP representative forum must therefore become a “working” forum where the community can actively engage all aspects of the IDP (as these include the KPIs) and also a forum where performance reports can be submitted for inputs.
- d) Performance Auditing: As in the past the auditing of performance reports prior to submission to Council was not achieved. This is increasingly becoming a risk in terms of achieving a clean audit as the Auditor General is now also focusing on auditing performance information.

- e) Performance Assessments (individual performance appraisal): As in the past informal assessments was not done for the 1st and 3rd Quarters, by Directors, as planned. Only PED managed to submit a 3rd quarter report. These informal sessions should be used by Directors as a early warning mechanism and also to do performance coaching

KPA 2: Basic Service Delivery:

- a) Reporting on National Indicators: Up to date baseline information for reporting on the national indicators e.g. % of HH with access to a basic level of water/ sanitation/ electricity & waste removal services, is not available. The percentages provided are based on the 2001 Census statistics and therefore may not present an accurate picture. In order to improve performance reporting in relation to basic service delivery GTM will have to identify other indicators e.g. % of households on the indigent register with access to basic services as the number of households earning less than R1100 will not be known until the next census results are published.
- b) Supply chain Management: Various projects could not be completed due to the time consuming supply chain management process. Streamlining and fast tracking the process will require time and effort by both the SCM unit and the user departments, as the efficiency of the process depends on technical reports being submitted in time, committee's quorating and speedy processing in the Office of the Municipal Manager.
- c) Development of masterplans: The long term planning and prioritisation of services such as water, sanitation, roads, waste and housing needs to be integrated into the Spatial Development Framework in order to achieve the vision of Council. However, the development of sectoral master plans is an expensive exercise if outsourced and in most instances internal capacity does not exist. Funding will have to be secured to draft these master plans to ensure that service delivery is indeed sustainable and placed in strategic growth areas.
- d) Vandalism of facilities and equipment: Service delivery infrastructure are being vandalised by the community, even new infrastructure such as the park in Nkowankowa has already been vandalised. The Public participation unit together with Communication should implement an awareness programme to inform community members of the value and the purpose of the infrastructure and to get their support in protecting such facilities by reporting vandalism to SAPS or Council.
- e) Maintenance of building infrastructure: The maintenance of municipal buildings, outside of the Civic Center, such as ablution facilities, community halls and sport facilities, are not always being attended to as required. This is mainly due to budget constraints but possibly also due to non-prioritisation of maintenance required. Engineering services will have to establish a mechanism to monitor all facilities and to prioritise the required maintenance to ensure that the available budget is utilised optimally in prolonging the life of existing infrastructure.

KPA 3: Local Economic Development:

- a) GIS/MIS: The establishment of an integrated information management system (in which GIS would play an anchor role) has yet to be achieved. Although the need for and importance of such a system is emphasised on a regular basis by various departments it does not receive priority when funding is allocated. Council must seriously consider the cost of NOT having a system in place to firstly provide information on which to base infrastructure planning but also to monitor service delivery on a day to day basis, with the capability of serving as an early warning system and also improving customer care. The function of information management lies with Corporate services and therefore the Director should be tasked to facilitate the process of developing an integrated information management system as a matter of urgency.
- b) GTEDA: During the past financial year, the status of GTEDA as entity or agency was a bone of contention until it was decided that GTEDA must be registered as an entity. The process of ensuring that the correct processes are followed and legislation complied with, is complex and will have to be managed carefully to avoid an audit query.

KPA 4: Municipal Financial Viability and Management:

- a) Supply Chain Management: As highlighted under KPA2 the entire supply chain management process will have to be reviewed by Management to identify bottlenecks and ways of removing these. The Supply Chain Management unit must be focussed on securing "value for money" and to do this in the quickest possible way to avoid a deterioration of services or service delivery delays.
- b) Revenue management: The accuracy of the valuation roll has a huge impact on Councils ability to generate revenue. Physical inspection of properties to verify information on the valuation roll may be required to improve revenue collection.

KPA 5: Good Governance and Public Participation:

- a) Customer care programme: As with the previous year, the establishment of a Mayoral Hotline did not succeed and currently only a facebook group is available for the public to lodge complaints or queries. Although very innovative it cannot be seen as sufficient as the majority of the community in the GTM area do not have access to a computer. A system therefore needs to be put in place where complaints can be logged and progress traced. This must be considered in conjunction with the establishment of a municipal information system (see KPA 3 (a)).
- b) Community Based Planning: The failure to get the CBP process functional again is extremely worrying as the CBP contributes to improving public participation in planning (IDP process) but also to community development by identifying initiatives which the community can embark on themselves to improve their quality of life. The programme has once again not been revived.
- c) Human Resource Management: Salary disputes have been an unfortunate characteristic of the 2011/12 financial year with the Unions and Management unable to come to an agreement on the way to address the salary disparities. It is hoped that the matter will be resolved urgently to, once again, ensure labour stability.
- d) Telephone infrastructure/IT - the outlying offices of GTM (stores, parks and waste) are often without telephone connections resulting in difficulty to communicate with the Civic Centre and also with customers. In addition to this, the telephone cabling inside the Civic Centre is very old and may start failing in the near future. Corporate services will have to prioritise the upgrading of the communications system.

REPORT OF THE AUDIT COMMITTEE ON GREATER TZANEEN MUNICIPALITY

We are pleased to present our report for the financial year ended 30 June 2012.

Mopani District has a shared Audit Committee structure to oversee five local municipalities and the district municipality.

Audit Committee members and attendance

The Audit Committee, consisting of independent outside members listed below, meets at least four times per annum as per its approved terms of reference, although additional special meetings may be called as the need arises.

Name of Member	Number of meetings attended
Mr T C Modipane (Chairperson) – appointed 29/08/2011	4
Ms F J Mudau – appointed 29/08/2011	4
Adv. S T Kholong – appointed 29/08/2011	4
Mr H Hlomane – appointed 29/08/2011	4
Mr A S Ngobeni – appointed 29/08/2011	4

Audit Committee Responsibility

The Audit Committee reports that it has not fully complied with its responsibilities arising from section 166 of the MFMA due to:

- The lack of cooperation from management in submitting Audit Committee packs; and,
- Limited internal audit capacity.

The Committee also reports that it has adopted the appropriate terms of reference as per the audit committee charter, has regulated its affairs in compliance with the charter and has not fully discharged its responsibilities as prescribed therein

The effectiveness of internal control

In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

The system of internal control was not entirely effective for the year under review. During the year under review, several deficiencies in the system of internal control were reported by the internal auditors and the Auditor-General South Africa. In certain instances, the matters reported previously have not been fully and satisfactorily addressed. The municipality should continue to monitor and improve the control environment to avoid further deficiencies in the system of internal control.

On several occasions during the course of the year the Accounting Officer was urged to put into place action plans for clearing outstanding Internal and External audit findings to help improve the control environment and help in achieving the 2014 Clean Audit goal. Needless to say that as at year-end a number of audit findings from the previous years remained unresolved.

Evaluation of Financial Statements

The Audit Committee has:

- not reviewed and discussed the audited annual financial statements to be included in the annual report with the Accounting Officer;
- reviewed the Auditor-General's management letter and management's response thereto; and
- reviewed significant adjustments resulting from the audit.

Internal audit

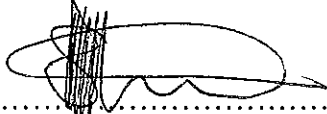
The Audit Committee is not satisfied with internal audit function in the municipality. The following matters were raised on several occasions with the Accounting Officer regarding the effectiveness of internal audit:

- The annual internal audit plan not fully implemented;
- Performance information not audited by internal audit unit as required by legislation;
- Internal Audit Unit not adequately resourced to effectively execute their function of advising the Accounting Officer on internal control deficiencies and corrective actions; and,
- The failure to effectively coordinate scheduled Audit Committee meetings

Other observations

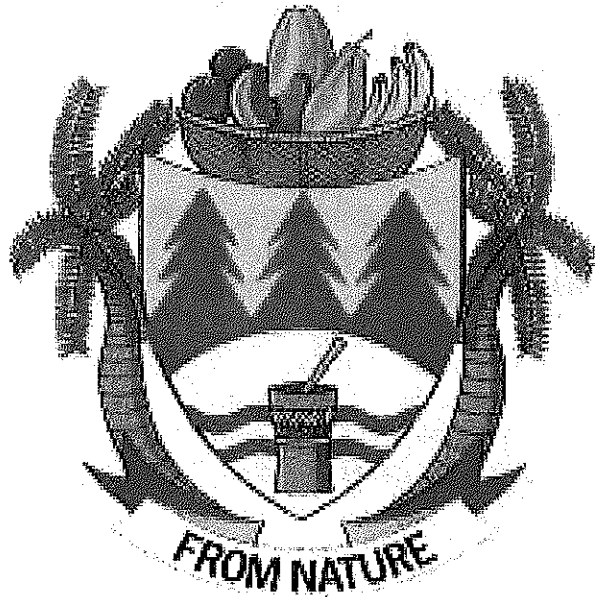
The Audit Committee wishes to report that it did not receive and therefore review annual performance report and the Accounting Officer's report to be included in the annual report. These reports were not made available to Audit Committee because management reported that they were not ready for review.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements.



.....
Chairperson of the Audit Committee
22 January 2013

GREATER TZANEEN MUNICIPALITY



MUNICIPAL PUBLIC ACCOUNT COMMITTEE REPORT

**ON
(2011 / 2012 ANNUAL REPORT)**

MUNICIPAL PUBLIC ACCOUNT COMMITTEE REPORT ON THE 2011/2012 ANNUAL REPORT (A 1)

PURPOSE

The MPAC report on the 2011/2012 Annual Report for Greater Tzaneen Municipality is tabled to Council for consideration and Approval.

1. BACKGROUND

As part of the process to discharge oversight, and accountability by the Executive and the administration on the performance of Greater Tzaneen Municipality, the council has established the Municipal Public Accounts Committee (MPAC) in terms of section 33 and 79 of the Municipal Structures Act, 117 of 1998, resolution number A40. The committee is assigned among other things, to assess the annual reports and make recommendations to council. The 2011/12 Annual Report was tabled and adopted at a Special Council meeting on the 31 January 2013, (Council Resolution no A1).

The 2011/12 Annual Report was then referred to the Municipal Public Accounts Committee (MPAC). A public notice on the availability of the annual report was placed in the Letaba Herald newspaper dated 15 February 2013. Hard copies of the said report were distributed to Libraries, all Thusong centre, Traditional Authorities offices and the Business Chamber. Electronic copies were also available on the Greater Tzaneen Municipality website (www.tzaneen.gov.za).

The MPAC held a meeting on the 05 March 2013 to adopt the program of action.

As part of promoting transparency, good governance and accountability, the MPAC Committee met in the Entertainment Hall at the Greater Tzaneen Municipality on the 15 March 2013 to adopt the questionnaire developed for responses by the Accounting Officer. The questions were based on the 2011/12 annual report and the report on the projects visits conducted on the 04 and 06th March 2013. The questionnaire was developed as part of the preparations for the public hearings to be conducted.

The Constitution of the Republic of South Africa of 1996, the Municipal Finance Management Act of 2003 and the Municipal Systems Act, 32 of 2000 requires Council to oversee the performance of the Municipality both in terms of the Financial Management and service delivery in all the key performance areas as identified by the Minister of Cooperative Governance and Traditional Affairs (COGTA).

The 2011/12 Annual Report was then referred to the Municipal Public Accounts Committee (MPAC), which was established as per the above sections in the Acts governing municipalities.

As part of promoting transparency, good governance and accountability, the MPAC also held a public hearing on the 25th March 2013. The following stakeholders were invited to the hearing session:

- Mayor
- Speaker
- Executive Committee Members
- All Councillors
- Mopani District Municipal Management
- Treasury
- AG
- Cooperative Governance, Human Settlement, and Traditional Affairs
- Audit Committee
- Representatives of the Tribal Authorities
- Ward Committees secretaries
- Different NGO's

The Municipal Manager and his management team subsequently provided further responses to the questions raised by MPAC at the session mentioned supra held on the 25th March 2013.

The following are issues raised in the questionnaire by MPAC.

2. COMMENTS ON THE MANAGEMENT RESPONSES

2.1 Greater Tzaneen Municipality received a disclaimer of opinion due to non-compliance of GRAP in 2011/12 financial year?

FINDINGS	COMMENTS
1. That there is no filing system in place for easy retrieval of documents when it is requested by auditors.	The officials must be encouraged to use the central Records office for the safekeeping of documentation and easy retrieval when needed.
2. That the Municipality in most cases use Consultants to prepare its financial statements and other related statements.	Skills transfer must be promoted to ensure that when consultants contracts expire, the officials are able to carry on with the function/services as carried out by the consultants.
3. That there is always a negative finding when it comes to the unbundling of assets	That an asset management unit be established.

2.2 AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2011/12

FINDINGS	COMMENTS
1. That there is irregular expenditure of R905 91440.00 from procurement.	An investigation on the matter must be conducted
2. On the Revenue Management as indicated in the Annual report page 216 money was reverted back to the National Treasury	The Accounting Officer must ensure that that allocated funds are not reverted back and be only utilized for the intended purpose.

2.3 MOPANI DISTRICT MUNICIPALITY PROJECTS IN THE TZANEEN AREA (NKOWANKOWA SEWER PLANT)

FINDINGS	COMMENTS
1. The project abandoned and no Contractor on site.	Though this is the Mopani project under jurisdiction of Tzaneen, the officials must consider that the area is fenced to avoid unnecessary accidents.

2.4 LEGAL COSTS RELATED

FINDINGS	COMMENTS
1. The Municipality during the financial year 2011/12 experienced a number of court cases against the Municipality.	The reasons that made the Companies to take the Greater Tzaneen Municipality to court for the Sasekani to Nkowankowa road and Claude Weatley should be investigated and the outcome be tabled on the next Council sitting.

2.5 PROCUREMENT OF VEHICLES BY THE GREATER TZANEEN MUNICIPALITY

FINDINGS	COMMENTS
1. That there is no monitoring system on the procured vehicles.	The process of installing electronic monitoring system in all vehicles be speed-up.

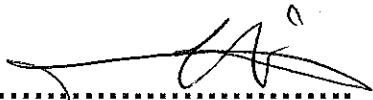
The Municipal Public Accounts Committee as part of the Mopani District MPAC Forum was part of the forum meeting held on 19th March 2013 where a resolution was taken to participate in the District MPAC Wide session to interact as MPAC'S in the Mopani District, the challenges and experiences that the Committees are faced with when executing their mandate.

RECOMMENDATIONS

Having fully considered the 2011/2012 Annual Report, the Municipal Public Accounts Committee recommends thus:

- a) That Council considers adopting the Municipal Public Accounts Committee Report based on the 2011/2012 Annual Report of the Greater Tzaneen Municipality.
- b) That the GTM's 2011/12 Annual Report be approved with reservations as follows:
 - i. That Council considers the establishment of the Asset management unit and the appointment of the Asset Manager.
 - ii. That the irregular expenditure of R905 914, 40 from the procurement be investigated and the outcome be tabled in the next Council sitting.
 - iii. That an investigation be done on the funds reverted back to National Treasury and the outcome be tabled in the next Council sitting.
 - iv. That as a temporary measure the Nkowankowa Sewer Plant be fenced to avoid unnecessary accidents.
 - v. That investigation be conducted in the Claude Weatley and Sasekani to Nkowankowa Road legal battles and the outcome be presented at the next Council sitting.
 - vi. That Management takes into cognizance the findings of the Auditor General and the Municipal Public Accounts Committee in the drafting the 2012/2013 Annual Report.
 - vii. That the in-year performance reports should also be reflective of the improvements as a result of interventions done.
- c) That Council notes the District wide session arranged by Mopani MPAC District Forum as proposed during the meeting held on 19TH March 2013.

- d) That Council approves the cost for the session as indicated on (c) above to be hosted at different locations.
- e) That copy of the Annual Report, MPAC report and Minutes of meeting where the annual report was discussed be submitted to the National and Provincial Treasury, Auditor General, COGHSTA and Office of the Premier.
- f) That the process of installing the Electronic Device System in all Municipal Vehicles be done as a matter of urgency.
- g) That skill audit be conducted in the municipality to determine whether all employees of Council have the necessary requirements.



.....
Cllr Mbhalati JHS
MPAC Chairperson

GREATER TZANEEN MUNICIPALITY

MINUTES OF THE 3RD SPECIAL COUNCIL MEETING OF THE
GREATER TZANEEN MUNICIPALITY FOR 2013 WHICH WAS HELD
AT TZANEEN SHOW GROUND, R71 ROAD, TZANEEN, ON
WEDNESDAY THE 27TH MARCH 2013 AT 14H00

PRESENT

The Speaker

Councillor PP Machete

COUNCILLORS

As per attached attendance register (Annexure "Z")

OFFICIALS

The Municipal Manager
The Director Electrical Engineering Services
The Director Planning & Economic Development
The Chief Financial Officer
The Director Community Services
The Director Engineering Services
The Manager Human Resource
The Manager Finance Services
The Manager Town Planning
The Manager Town Electricity
The Manager Licensing
The Manager LED
The Acting Manager Admin Services
The Committee Clerk
The Committee Clerk

Mr ME Mankabidi
Mr P Van Den Heever
Mr TJ Nkuna
Ms N Lion
Mr OZ Mkhombo
Ms DS Makoti
Mr T Visser
Mr J Biewenga
Mr M Mathye
Mr A Laubscher
Mr A Liversage
Mr F Rammalo
Mrs W Baloyi
Ms MB Maake
Mr F Machimana

TRADITIONAL AUTHORITIES

The Batlhabe Traditional Authority Representative
The Maake Traditional Authority Representative
The Modjadji Traditional Authority Representative
The Muhlava Traditional Authority Representative
The Nyavana Traditional Authority Representative
The Valoyi Traditional Authority Representative

Mr JT Mogoboya
Mr LH Maake
Mr MC Modjadji
Mr MJ Mukhawana
Mr MJ Chabalala
Ms MA Sithole

1. OPENING AND WELCOME

- 1.1 The Speaker, Councillor PP Machete declared the meeting officially opened and welcomed everyone present.
- 1.2 The Speaker, Councillor PP Machete indicated that as they are concluding the human rights month, they should identify the issues that are still challenges to the society. e.g. issue of rape to women and children.
- 1.3 The Speaker, Councillor PP Machete further indicated that a clear analysis should be made on issues that affect the Municipality based on the vision 2030 and the National Planning Commission's documents
- 1.4 The Speaker Councillor PP Machete indicated that this year the IDP informs the Budget.

2. APPLICATIONS FOR LEAVE OF ABSENCE.

Applications for leave of absence were received from the following:

- The Chief Whip, Councillor NM Mboweni
- Councillor TK Nukeri
- Councillor GQ Mabuza
- Councillor DG Mushwana

RESOLVED

That leave of absence from this meeting be granted to the following:

- The Chief Whip, Councillor NM Mboweni
- Councillor TK Nukeri
- Councillor GQ Mabuza
- Councillor DG Mushwana

3. OFFICIAL NOTICES

- 3.1 The Municipal Manager, Mr ME Mankabidi indicated that the Business Chamber held an annual event last week at Tzaneen Country Lodge and Greater Tzaneen Municipality officials received certificates as follows:

1. Mr Calvin Ramatsoma from the Electrical Department – Received an award for Outstanding Service to our Community.
2. Ms Mokgadi Nkwana from Planning and Economic Development – Received an award for the Public Official of the year 2013.
3. Ms Maria Makgobatlou from GTEDA- Received an award for the best Receptionist & Secretary of the year 2013.

The three (3) official's were duly congratulated.

4. SPEAKERS UNOPPOSED PROPOSALS

- 4.1 The Speaker, Councillor PP Machethe indicated that the Municipal Political leadership must set the right culture with regard to the achievement of the Clean Audit.
- 4.2 The Speaker, Councillor PP Machethe indicated that the Tzaneen Municipality must ensure that Tzaneen achieve the objective of becoming a city in the year 2030.
- 4.3 The Speaker, Councillor PP Machethe indicated that a report must be prepared for discussion by the relevant department on the formalisation of the rural areas and that will assist to boost the economy of Tzaneen area.
- 4.4 The Speaker, Councillor PP Machethe indicated that a report on Tzaneen Municipality becoming a Water Services Authority be prepared by the relevant department and be submitted to Council by end of May 2013.
- 4.5 The Speaker, Councillor PP Machethe indicated that the Legal Section of the municipality need to be strengthened.
- 46 The Speaker, Councillor PP Machethe further indicated that a Labour Relation Section should be established in the HR Division, to deal specifically with labour matters.

5. QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN

None

6. MOTIONS OR PROPOSALS DEFERRED FROM THE PREVIOUS MEETING

None

7. PROPOSALS OF CONDOLENCES OR CONGRATULATIONS BY THE CHAIRPERSON

- 7.1 The Speaker, Councillor PP Machete expressed his condolences to the families of the 13 South African Defence Force (SADF) officials who died on their line of duty. A moment of silence was observed by all present.
- 7.2 The Speaker, Councillor PP Machete congratulated Mr G Twala for the sterling work done when preparing the IDP document.
- 7.3 The Speaker, Councillor PP Machete congratulated the chairperson of the Finance Committee, Mr C Machimana, other chairpersons of the Portfolio committees and the administration who drafted and compiled the IDP and Budget documents.
- 7.4 The Speaker, Councillor PP Machete further congratulated Councillor S Mbhalati, Chairperson of MPAC for the work well done on the Municipal Public Account Committee report.

8. PROPOSALS OF CONDOLENCES OR CONGRATULATIONS BY OTHER MEMBERS

- 8.1 Councillor M Mangena congratulated the PMT for the work well done; he further indicated that the issues that were raised during the Executive Committee and Council Meeting by the Mayor and Speaker respectively are now appearing in the Council Agendas, he further indicated that the PMT should keep up the good work.
- 8.2 Councillor H Zandamela congratulated the Department of Education (Nkowankowa Circuit), under circuit Manager SE Manzine who obtained the Best Academic Records for the Grade 12 results.
- 8.3 Councillor C Machimana congratulated the Mayor, Councillor DJ Mmetle for having a successful trip outside the country; he further indicated that the Greater Tzaneen Municipality is now enriched with the experience obtained by the Mayor in Sweden.

9. PETITIONS

None

10. NEW MOTIONS

None

11. RECOMMENDATIONS AND RESOLUTIONS OF THE EXECUTIVE COMMITTEE MEETINGS FOR THE PERIOD MARCH 2013.

11.1 RECOMMENDATIONS

A 7 REPORT BY THE MUNICIPAL MANAGER ON THE OUTCOME OF THE DISCIPLINARY HEARING INITIATED BY GREATER TZANEEN MUNICIPALITY AGAINST ADVOCATE NKOPODI PHATUDI.

(E/C 2013 03 08; C 2013 03 27)

(PERSONNEL)

RESOLVED

- (a) That Council approves the settlement agreement between Adv Nkopodi and Greater Tzaneen Municipality.
- (b) That the said agreement shall be referred to COGHSTA for checking and assessment and the implementation thereof shall take effect pending the outcome of approval by COGHSTA.

Note: The DA Councillor voted against the decision on the report.

- A 8 TELEGENIX TRADING 65CC AND DAILY DOUBLE TRADING / GREATER
TZANEEN MUNICIPALITY**
(E/C 2013 03 08; C 2013 03 27) **(1/1)**
-

RESOLVED

That the item be referred back.

- A 9 OFFICIAL TRIP TO SWEDEN BY THE MAYOR**
(E/C 2013 03 08, C 2013 03 27) **(11 / 1)**
-

RESOLVED

- a) That Council condones the trip to be undertaken by the Mayor to Sweden during the period 9–23 March 2013 with regard to the Swedish Chapter of the Local Democracy and Local Governance Learning Programme (LODLOG).
- b) That Council approves the payment of R30 000.00 for the Mayor's Subsistence and Travelling in respect thereof.
- c) That the expenditure relating to this programme be debited against vote no 057 / 078 / 1309.

- A 10 GREATER TZANEEN MUNICIPALITY DRAFT INTEGRATED**
DEVELOPMENT PLAN 2013/2014 FOR ADOPTION
(E/C 2013 03 27; C 2013 03 27) **(15/1/4/34)**

RESOLVED

- (a) That Council adopts the Draft IDP 2013/14 Review.
- (b) That Council takes note that the Draft IDP 2013/14 Review must be submitted to the District Municipality, National and Provincial Treasury, National Department of Provincial and Local Government and the Provincial Department of Local Government and Housing.
- (c) That Council takes cognizance of the fact that this Draft IDP 2013/14 Review will serve as the principal strategic planning instrument which guides and informs all planning and Development, and all decisions with regard to planning, management and development, in the Municipality.
- (d) That Council takes cognizance that the IDP and Budget community participation process will run during the month of April 2013 in various wards and the four clusters.

A 11 PRELIMINARY BUDGET 2013/2014 FINANCIAL YEAR
(E/C 2013 03 27; C 2013 03 27)

(5/1/1)

1. BUDGET RELATED RESOLUTIONS

- (a) That the Preliminary budget of Greater Tzaneen Municipality for the financial year 2013/2014 and the indicative revenue and projected expenditure for the two subsequent years 2014/2015 and 2015/2016 be approved as contained in the following schedules:

Supporting tables:

A1 to A10

SA 1 to SA 37

Supporting Charts

- (b) That the Annexures and policies attached to this report be approved.

- (c) That Council takes cognizance thereof that the increase in tariffs on the previous year tariffs are within the guideline set by National Treasury.
- (d) That the budget for water, sewer and environmental health drafted by the Chief Financial Officer of Greater Tzaneen Municipality be submitted to Mopani District Municipality (MDM) for consideration, approval and submission to National Treasury.
- (e) That the allocation from sources other than conditional grants for capital projects for the 2013/2014 financial year be approved as follows:

Loans	R	0
Own Sources	<u>R85 312 727</u>	
TOTAL	R85 312 727	

- (f) That the expenditure on the public entertainment and subsistence and travel votes be limited to the budgeted amounts and that no overspending on these votes be allowed without the prior approval of the Municipal Manager and the Chief Financial Officer.
- (g) That no overspending be allowed on the entertainment votes without the prior approval of the Municipal Manager.
- (h) That the Municipal Manager finalizes the Service Level Agreement of the Environmental Health Service with MDM as a matter of urgency.
- (i) That the monthly accounts of poor households (indigent) that qualify for free basic services be approved at R40,00 per month plus water consumption above 6 kilolitre per month.
- (j) That the measurable performance objectives for revenue for each source and for each vote as per **Item 8** be approved.
- (k) CAPITAL BUDGET

- I That the capital budgets from own sources be approved as follows:

2013/2014 Financial year	R 85 312 727
2014/2015 Financial year	R 78 322 716
2015/2016 Financial year	R120 712 707

- II That an amount of R87 247 000 be approved from Grants for the 2013/2014 financial year.

III That no loan be taken up to finance capital projects during the 2013/2014 financial year.

IV That Council takes cognizance of the R73 247 000 (2013/2014) MIG allocation for capital projects of which R70 317 120 is allocated for Capital and R2 929 880 is allocated for operational.

V TRANSPORT BUDGET

I That the transport budget as per **Annexure” H“** and tariffs applicable for each vehicle be approved.

II That all vehicles be rationalized to the needs of the different departments to ensure optimal and cost effective fleet management to all departments.

III That all departments adhere to the requirements of utilization and costing set out in the Vehicle Fleet Policy.

(l) PERSONNEL

That the personnel budget for Greater Tzaneen Municipality be approved. **Annexure “ G“**.

(m) INTEREST ON ARREARS OTHER THAN FOR RATES

That the interest rate in terms of the Local Government, Municipal Systems Act 32 of 2000 be determined the same as the current rate, namely, 18%.

(n) INTEREST ON AREAR RATES

That the interest rate of prime rate plus 1% as promulgated in Government Gazette no. 28113 of 13 October 2005 be approved and that the prime rate of ABSA Bank, where Greater Tzaneen Municipality primary bank account is held, be applicable.

(o) That R620 000 be made available to the Mayor for the 2013/2014 financial year, allocated as follows:

I R220 000 Special account which must be subjected to Audit. (Funds will only be transferred to an organization).

II R400 000 For Bursaries

(p) SOLID WASTE: TARIFFS

That the following tariffs for solid waste be approved:

	KERBSIDE REMOVALS	CURRENT	PROPOSED
1.	Domestic waste for 1 x scheduled removal per week (Monthly per domestic premises)	R88.00	R93.28
2.	Business waste for 6 x scheduled removals per week (Monthly per unit)	R293.33	R310.93
3.	Collection, transportation and disposal of animal carcasses per removal	R200.00	R210.00
4.	Institutional waste for 6 x scheduled removals per week (Monthly per unit)	R293.33	R310.93
5.	Industrial waste for 3 x Scheduled removals per week (Monthly per unit)	R234.66	R248.74
6.	Collection; transportation and disposal of condemned foodstuffs per load or 1 x ton or part thereof.	R600.00	R630.00
7.	Bulky Waste Removals		
	I Bulk removal of compactable waste (1 x 6m ³ skip per removal once per week)	R440.00	R608.00
	II Bulk removal of non compactable waste (1 x 6m ³ skip per removal once per week)	R780.00	R1 520.00
		CURRENT	PROPOSED
8.	Private Waste Deposits		
	I Per light delivery van or trailer load not exceeding one ton		
	II Per lorry load not exceeding three ton, but exceeding one ton	R130.00	R140.00
	III Per lorry load not exceeding six ton, but exceeding three ton	R330.00	R420.00
	IV Per lorry load not exceeding ten Ton, but exceeding six ton	R840.00	R870.00
	V Per lorry load exceeding ten ton	R1 370.00	R1 400.00

		R2 310.00	R2 500.00
		CURRENT	PROPOSED
9.	Incineration of bio-hazardous waste Collection, Transportation & Disposal		
	<ul style="list-style-type: none"> • 5 – 8 x lit sharps • 5 x lit human tissue • 10 x lit sharps • 10 x lit human tissue • 20 x lit sharps • 20 x lit human tissue • 85 x lit H.C.R.W. in liner • 140 x lit H.C.R.W box + liner • 50 x lit H.C.R.W box + liner • 140 x lit Empty liners 	R110.00 R180.00 R170.00 R230.00 R290.00 R350.00 R120.00 R290.00 R150.00 R20.00	R116.00 R190.00 R180.00 R245.00 R305.00 R370.00 R126.00 R305.00 R157.00 R21.00

(q) WATER SUPPLY: TARIFFS

That the following tariffs for water supply be approved

Tariffs Basic Charges

	CURRENT	PROPOSED
Domestic (AA)	R23.74	R25.16
Business (BA)	R37.48	R39.73
Industrial (CA)	R37.48	R39.73
State (EA)	R63.72	R67.54
Dept (FA)	R23.74	R25.16
Transnet (HA)	R63.72	R67.54
Flats	R38.73	R41.05
Education	R29.99	R31.79

Tariff for Consumption

		CURRENT	PROPOSED
i	DOMESTIC (AA)		
	0 – 6 kl	R0.60 per kl	R0.63 per kl
	7 – 10 kl	R1.66 per kl	R1.76 per kl
	11 – 25 kl	R2.94 per kl	R3.12 per kl
	26 – 35 kl	R3.95 per kl	R4.18 per kl
	36 – 100 kl	R4.44 per kl	R4.71 per kl
	101 kl and more	R8.29 per kl	R8.78 per kl
ii	BUSINESS (BA)		
	0 – 50 kl	R2.11 per kl	R2.24 per kl
	51 – 100 kl	R3.52 per kl	R3.73 per kl
	101 and more	R4.23 per kl	R4.49 per kl
iii	INDUSTRIAL (CA)		
	0 – 50 kl	R2.11 per kl	R2.24 per kl
	51 – 100 kl	R3.52 per kl	R3.73 per kl

	101 and more	R4.23 per kl	R4.49 per kl
iv	STATE (EA)		
	0 – 50 kl	R5.55 per kl	R5.88 per kl
	51 – 250 kl	R4.56 per kl	R4.84 per kl
	251 and more	R3.25 per kl	R3.45 per kl
v	DEPT (FA)		
	0 – 6 kl	R0.63 per kl	R0.67 per kl
	7 – 10 kl	R1.68 per kl	R1.78 per kl
	11 – 25 kl	R2.95 per kl	R3.13 per kl
	26 – 35 kl	R3.54 per kl	R3.76 per kl
	36 – 100 kl	R4.44 per kl	R4.71 per kl
	101 kl and more	R8.29 per kl	R8.78 per kl
vi	TRANSNET (HA)		
	0 – 50 kl	R5.55 per kl	R5.88 per kl
	51 – 250 kl	R4.56 per kl	R4.84 per kl
	251kl and more	R3.25 per kl	R3.45 per kl
vii	FLATS		
	0 – 75 kl	R0.63 per kl	R0.67 per kl
	76 – 120 kl	R3.30 per kl	R3.49 per kl
	121 – 200 kl	R3.48 per kl	R3.69 per kl
	201 – 250 kl	R3.65 per kl	R3.87 per kl
	251 – 370 kl	R3.83 per kl	R4.06 per kl
	371kl and more	R4.17 per kl	R4.42 per kl
viii	EDUCATION		
	0 – 50 kl	R2.41 per kl	R2.55 per kl
	51 – 200 kl	R1.97 per kl	R2.09 per kl
	201 – 400 kl	R1.41 per kl	R1.50 per kl
	401 kl and more	R2.82 per kl	R2.99 per kl

(r) SEWERAGE: TARIFFS

That the following tariffs for sewer services be approved:

	CURRENT	PROPOSED
Charge per m ² (Basic Charge)	R0.23/year	R0.24/kl
CHARGE PER KL WATER USAGE/MONTH		
Domestic (AA)	R0.58/kl	R0.61/kl
Business (BA)	R0.96/kl	R1.02/kl
Hotel (BB)	R0.80/kl	R0.85/kl
Guest Houses	R0.80/kl	R0.85/kl
Industrial (CA)	R0.96/kl	R1.02/kl
Flats (IA)	R0.58/kl	R0.61/kl
State (EA)	R0.74/kl	R0.78/kl
Education	R0.32/kl	R0.34/kl
Incentives	R0.32/kl	R0.34/kl

(s) GENERAL RATES AND REBATE

PROPERTY RATES TARIFFS

RATES TARIFFS	CENT IN THE RAND	
Categories of properties in terms of the policy	CURRENT	PROPOSED
Agricultural Properties		
Tariff on market value	0.2495c	0.2495c
Business and Commercial Properties		
Tariff on market value	0.9981c	0.9981c
Cemeteries and Crematoriums Properties		
Tariff on market value	0.00c	0.00c
Industrial Properties		
Tariff on market value	0.9981c	0.9981c
Institutional Properties		
Tariff on market value	0.9981c	0.9981c
Multi-Purpose Properties		
Tariff on market value	0.9981c	0.9981c
Municipal Properties		
Tariff on market value	0.00c	0.00c
Privately Owned Vacant Land		
Tariff on market value	0.9981c	0.9981c
Public Benefit Organization Properties		

Tariff on market value	0.9981c	0.9981c
Public Infrastructure Properties		
Tariff on market value	0.9981c	0.9981c
Properties for Religious Use		
Tariff on market value	0.00c	0.00c
Residential Properties		
Tariff on market value	0.9981c	0.9981c
Special Properties		
Tariff on market value	0.9981c	0.9981c
State-Owned Properties		
Tariff on market value	0.9981c	0.9981c

That a 75% rebate be approved on agricultural land to comply with the requirements of Government Gazette no. 33016 of 12 March 2010 which reads as follows:

Categories Ratio in Relation to Residential property

Residential property	1:1
Agricultural property	1: 0,25

The agricultural tariff must be 25% of the residential tariff.

That the rates be paid in a single amount before 31 August or in twelve (12) equal monthly installments.

That the interest rate on overdue amounts on property rates be charged at prime rate plus one (1%) percent in terms of the Municipal Property Rates Act, 2004.

That the rebates as contained in Councils Property Rates Policy be applied and that the rebate of 20% on Residential property be increased to 30%, due to the increase in property valuations and that the Policy be amended accordingly.

(t) **ELECTRICITY TARIFFS**

That the following electricity tariffs be approved:

TARIFF A

- This tariff is available for single phase 230V up to a maximum of 30 Amp circuit breaker capacity
- This tariff will suit low consumption customers, typically less than approximately 650 units.

The following will be payable:

A.1. A consumption charge, per kWh consumed **148.96c**

A.2. The Municipality is currently busy with a pilot project for prepaid metering and the kWh rates applicable will be equal to that of Eskom Home light 1.

Regarding a 60A pre-paid supply, this will be subject to the following conditions:

1. Sufficient network capacity
2. Maximum 60A, single phase
3. Relevant Eskom home light 1 kWh tariff
2. Prior payment of the relevant connection cost as per the Eskom home light 1 tariff.

This tariff will therefore not be available as a standard tariff, but only in the pilot areas at the discretion of the Municipality.

TARIFF B

- This tariff is available for single phase 230V (Capacity not exceeding 16 kVA) and three phase 400V (Capacity not exceeding 75 kVA)
- This tariff will suit medium to high consumption customers.

The following charges will be payable:

B.1. A fixed charge, whether electricity is consumed or not, per point of supply:

The following size circuit breakers will be available:

		AGRIC/DOMEST	BUSINESS
16 kVA Single phase	70 Amp	R 275,36	R 935.50
25 kVA Three phase	45 Amp	R1 200.15	R 945.00
50 kVA Three phase	80 Amp	R1 567.26	R1 280.19
75 kVA Three phase	100 Amp	R2 179.77	R1 897.24

NOTE 1: The capacity of a supply shall be the capacity as determined by the Electrical Engineering Manager

PLUS

B.2.1 A consumption charge, per kWh consumed
(Business) Three and Single 93,05c

B.2.2 A consumption charge, per kWh consumed
(Agric/Domestic) Three phase 101.55c

B.2.3 A consumption charge, per kWh consumed
(Agric/Domestic) Single phase 116.10c

PLUS

B.3.1 On three and single phase Business connections, an additional charge per kWh for every unit consumed above 3 000 units.
(3% of B.2.1/2) **2,79c**

PLUS

B.3.2 On single phase Agri/Domestic connections, an additional charge per kWh for every unit consumed above 1 500 units.
(3% of B.2.3) **3,48c**

PLUS

B.3.3 On three phase Agre/Domestic connections and additional charge per kWh for every unit consumed above 3000 units.
(3% of B.2.2) **3,05c**

TARIFF C

- This tariff is available for three phase supplies at the available standard voltage with a minimum capacity of 100 kVA
- This tariff will suit high consumption customers

C.1 A fixed charge, whether electricity is consumed or not, per month, per point of supply:

C.1.1 Agriculture and Domestic **R2 117,49**

C.1.2 Business **R1 958,98**

C.2 If the demand is registered during the months of June, July or August per point of supply:

(Agricultural/Domestic) R247,42

C.3 If the demand is registered during the months of September to May per point of supply:

(Agric/Domestic) R153,90

C.4 If the demand is registered during the months of June, July or August per point of supply:

(Business) R169,92

C.5 If the demand is registered during the months of September to May per point of supply:

(Business) R75,71

C.6 A consumption charge, per kWh consumed:

C.6.1 If the kWh has been consumed during the months of June, July or August:

(Agric/Domestic) 64.99c

C.6.2 If the kWh has been consumed during the months of September to May:

(Agric/Domestic) 43,73c

C.7 A consumption charge, per kWh consumed:

C.7.1 If the kWh has been consumed during the months of June, July or August:

(Business) 75,81c

C.7.2 If the kWh has been consumed during the months of September to May:

(Business) 55,21c

C.8 A discount according to the voltage at which the electricity is supplied:

C.8.1 If the electricity is supplied at three phase/400V:

0%

C.8.2 If the electricity is supplied at a higher voltage, but not exceeding 11 kV:

3%

C.8.3 If the electricity is supplied at a higher voltage than 11 kV (if available), but not exceeding 33 kV:

5%

TARIFF D

This tariff is available for three phase bulk supplies at any voltage and with a minimum capacity at 200 kVA

- This tariff will suit mostly large load customers who can shift load out of the GTM peak hour periods.

The following charges will be payable:

D.1 A fixed charge, whether electricity is consumed or not, per month, per point of supply:

R6 770,46

D.2 A demand charge, per kVA registered, per month, per point of supply:

D.2.1 If the demand is registered during the months of June, July or August:

R44,81

D.2.2 If the demand is registered during the months of September to May: **R44,81**

NOTE: Demand registered during Off-peak Hours will not be taken into account when calculating the demand charge payable.

D.3 A consumption charge, per kWh consumed:

D.3.1 If the kWh has been consumed during the months of June, July or August:

D.3.1.1 During Peak Hours **277.24c**

D.3.1.2 During Standard Hours **79,24c**

D.3.1.3 During Off-Peak Hours **46,90c**

D.3.2 If the kWh has been consumed during the months of September to May:

D.3.2.1 During Peak Hours **84,42c**

D.3.2.2 During Standard Hours **55,45c**

D.3.2.3 During Off-Peak Hours **41,73c**

NOTE 1: For the purpose of this tariff Peak Hours will be from 07:00 to 10:00 and 18:00 to 20:00 on weekdays.

Standard Hours will be from 06:00 to 07:00, 10:00 to 18:00 and 20:00 to 22:00 on weekdays and from 07:00 to 12:00 and 18:00 to 20:00 on Saturdays.

Off-Peak Hours will be from 22:00 to 06:00 on weekdays, 12:00 to 18:00 and 20:00 to 07:00 on Saturdays and all of Sundays.

A Public Holiday falling on a weekday will be treated similar to the Eskom Mega flex Tariff schedule.

Times to be such as to relate to GTM peaks/load curve.

D.4 A discount according to the voltage at which the electricity is supplied.

D.4.1 If the electricity is supplied at three phase / 400V :
0%

D.4.2 If the electricity is supplied at a higher voltage than 400V, but not exceeding 11 kV:
3%

D.4.3 If the electricity is supplied at a higher voltage than 11kV (if available) but not exceeding 33 kV
5%

(u) That Council re-implement the 10 and 5 year (Refurbishment / Rebuilding) electricity programme approved in 2002.

(v) Credit Control

I That Council's adopted Credit Control Policy be strictly adhered to, to curb outstanding debt.

II That a monthly report be submitted to Council regarding Councillor arrears on consumer accounts.

(w) PRE-PAID TARIFF
IBT IMPLEMENTATION

The Greater Tzaneen Municipality is currently launching a pilot project which is in our Extension 13. We are implementing pre-paid metering which will utilize the latest technologies PLC (Power Line Carrier) metering with concentrators for monitoring and administration purposes.

DOMESTIC TARIFFS (IBT's)			
DOMESTIC BLOCK 1 0 – 50 kWh (c/kWh)	DOMESTIC BLOCK 2 51 – 350 kWh (c/kWh)	DOMESTIC BLOCK 3 351 – 600 kWh (c/kWh)	DOMESTIC BLOCK 4 >600 kWh (c/kWh)
73,22c	90,38c	121.26c	144.14c

SUNDRY TARIFFS 2013/2014**ELECTRICITY**

That in terms of the provisions of section 11(3) of the Local Government Municipal Systems Act 2000, the Council by resolution amends the charges payable for the supply of electricity as contained in Municipal Notice No. 19 of 1988 and promulgated in Provincial Gazette no 4565 dated 1 June 1988 with effect from 1 July 2013 by the substitution for part (iii) of the tariff of charges of the following:

By the substitution for clause 2 (1) of the following:

	Current	Proposed
ILLEGAL CONNECTION FEE	R10 000	R10 000

DISCONNECTION CHARGES**Electricity**

Electricity Cut – disconnections	R 227.00	R 240.00
Electricity Cut – Removal of meters	R 430.00	R 455.00
Remove installation	R2 120.00	R2 225.00

Water

Water restriction: Residential (15 – 20mm)		R150.00
Water disconnection: non residential (15 – 40 mm)	R701.75	R320.00
Water disconnection: non residential(50-100mm)	R701.75	R745.00
Water Tanker/Kiloliter	R 8.77	R 12.00

SERVICE CONTRIBUTION TARIFF

These tariffs are attached hereto as Annexure “Q”.

EVENTS

All events that need to erect a tent at the pitch:

- Tent that take capacity of 50 people R6 000 non refundable
- More than the capacity of 50 people R10 000 non refundable

R5 000 fine to be levied on vehicles driving on the synthetic track.

SECURITY TARIFFS DEPOSIT

Major Soccer game	R5 000	R10 000
Sport bodies at club level:Stadium	R 500	R 530
Sport bodies at inter-district level	R1 000	R 1 060
Athletics (Adults)	R1 000	R 1 060
Athletics (Schools)	R1 000	R 1 060

Meeting at Nkowankowa Community Hall R85/hour

Government and Agencies meetings and workshops R530 per day.

That 20% gate takings in respect of all events for which gate takings are collected be levied.

It is also recommended that Nkowankowa stadium be strictly used for sport.

Soccer Teams in the following divisions:	NFD	R590
	Vodacom	R480
	Castle	R270

Sporting codes such as: Tennis, Netball, Volleyball, Aerobics, Boxing, etc.	R3 710
Annually training for 1 hour a day.	

N.B. Training from Mondays to Thursdays in the clubhouse and conference room to allow cleaning for weekend bookings.

Lenyenye stadium	R530 per day
Julesburg stadium	R320 per day

N.B. 20% gate takings in respect of all events for which gate takings are collected be levied.

Julesburg stadium	R200 per day
Julesburg Hall	R200 per day
Burgersdorp Stadium	

Major Games	R500 per day
Small Clubs	R200 per day
Minitzani Hall	R200 per day
Clubhouse	R200 per day
Conference Room	R200 per day
Rent of Turner room (Haenertsburg Library)	R95 per day
Projector room (Muhlaba hall)	R95 per day

COMMUNITY HALLS AT NKOWANKOWA AND LENYENYE TARIFFS PER DAY

Film Shows	R1 060
Fashion Shows	R1 060
Political Rally	R1 060
Traditional Dance	R1 060
Music competition / auditions, etc..	R1 060
Charitable Organization & NGO	R 430
Wedding Ceremony	R1 060
Funeral Service	R 530
Church Activities	R 530
Meetings	R 50 per hour
Festivals	R20 000 and 20% of all gate takings
Erection of tent on Vakhegula ground for event	R1 060

WATER CONNECTIONS

That in terms of the provisions of Section 11 (3) of the Local Government Municipal System Act 2 000, the Council by resolution amends the charges payable for the supply of water contained in Municipal Notice 36 dated 22 September 1982 and published in Official Gazette no. 4226 dated 22 September 1982, with effect from 1 July 2013 by the substitution for item 3 of the following:

Miscellaneous Charges

- 1(a) For each separate 19 mm new water connection:
R2 300 Vat included
(Old Tariff R 2 300-00 VAT included)
- 1(b) For each new 50 mm water connection
R8 400 VAT included
(Old Tariff R8 000 VAT included)
- 1(c) For each new 80 – 110 mm water connection

R10 000 VAT included.
(Old Tariff R9 300 VAT included)

1 (d) For each water re-connection:
R840 VAT included
(Old Tariff R800 VAT included)

1 (e) For each disconnection:
R764 VAT included
(Old Tariff R728 VAT included)

1 (f) Water Tanker/kilolitre:
R11 VAT included
(Old Tariff R10 VAT included)

WATER LABORATORY TARIFFS

CHEMICAL ORGANIC DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Chemical Oxygen Demand (0.45µm Filtered)	FCOD	mg/L O ₂	R 193.83	No

CHEMICAL INORGANIC DETERMINANDS

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Ammonia Nitrogen	NH ₃	mg/L N	R 60.84	No
Chloride	Cl	mg/L Cl	R 68.30	No
Fluoride	F	mg/L F	R 70.79	No
Free Chlorine	ClFre	mg/L Cl ₂	R 150.34	No
Nitrate Nitrogen	NO ₃	mg/L N	R 116.76	No
Orthophosphate	PO ₄	mg/L P	R 78.30	No
Sulphate	SO ₄	mg/L SO ₄	R 57.11	No

**CHEMICAL PHYSICAL
DETERMINANDS**

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Apparent Colour	Col	PtCo	R 55.87	No
Conductivity	Cond	Ms/m@25 ⁰ C	R 32.25	No
Dissolved Solids	TDS	mg/L@180 ⁰ C	R 63.32	No
PH	PH		R 32.25	No
Suspended Solids	TSS	mg/L@105 ⁰ C	R 74.51	No
Total Alkalinity	Talk	mg/LCaCO ₃	R 63.32	No
Turbidity	Turb	FTU	R 54.63	No

Calculation Methods (requires additional determinands, please confirm with laboratory)				
Ryznar Index	RyzInd		R 23.55	No

OTHER

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Calcium Hardness	CaHard	mg/L	R 60.02	No
Magnesium Hardness	MgHard	mg/L	R 60.02	No
Total Hardness	Thard	mg/L CaCO ₃	R 98.35	No

**CHEMICAL METALLIC
DETERMINANDS**

Dissolved Metals				
Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
Aluminium	Al	mg/LAl	R 54.75	No
Calcium	Ca	mg/L Ca	R 54.75	No
Iron	Fe	mg/L Fe	R 54.75	No

Magnesium	Mg	mg/LMg	R 54.75	No
Manganese	Mn	mg/LMn	R 54.75	No
Potassium	K	mg/LK	R 54.75	No
Sodium	Na	mg/L Na	R 54.75	No
Zinc	Zn	mg/ L Zn	R 54.75	No

**WATER
MICROBIOLOGICAL**

Determinand	Abbreviation for request purposes	Analysis Units	Tariff excl VAT	SANAS Accreditation
E.Coli (Faecal/Total Coliforms to be included-compulsory)	Ecol	cfu/100ml	R 52.13	No
Total Coliforms	TC	cfu/100ml	R 129.22	No

SEWER CONNECTIONS

That in terms of the provisions of Section 11 (3) of the Local Government Municipal System Act 2000, the Council amends by resolution the charges payable in terms of the Drainage and Plumbing By-Laws and By-Laws for the Licensing and regulating of Plumbers and Drain Layers published under Municipal Notice No. 35 dated 22 September 1982, and promulgated in Official Gazette No. 4226 dated 22 September 1982 as follows with effect from 1 July 2013:

- 1(a) For each sewer connection
R2 300 VAT included
(Old Tariff R2 200 VAT included)
- 1(b) Sewer Honey Sucker Services
R40/m³ VAT included + R0,00/km from 0 – 10 km
R115/m³ VAT included + R0.00/km from 11 – 60 km
+ R2.50/km from 61-120 km
+ R3.90/km from 121 km plus
(Old Tariff R115/m³ VAT included)
- 1(c) Domestic effluent by private tanker = R33/m³.
- 1(d) Domestic effluent by private discharger = R11.00/drum of 200L

1(e) Trade effluent from outside Municipal jurisdiction: R480/tanker

1(f) Trade effluent from within Municipal jurisdiction: R420/tanker

CHARGES FOR THE APPROVAL OF BUILDING PLANS

That in terms of the provision of Section 11(3) of the Local Government System Act 2000 the Council by resolution amends the charges payable for the approval of building plans with effect from 1 July 2013 as set out in the schedule here under:

1. The charges payable for a building plan submitted for consideration shall be as follows:
 - 1.1 The minimum charge payable for any building plan with the exception of items 3 and 4: R370-00
(Old tariff R350-00).
 - 1.2 The charges payable for any building plans shall be R5-00 per m² (Old tariff R4-50)
 - 1.3 To apply the abovementioned charges, the total area of any new building must be calculated at every floor level on the same erf, including verandas, galleries and balconies.
2. In addition to the charges payable in terms of item 1, a charge of R1.50c per m² (Old tariff R1.00) of the reinforced area is payable for every new building in which structural steelwork or concrete is utilized for the main framework as the main structural components of the building.
3. Charges payable for approval of alterations to existing buildings and buildings of special character such as factory chimneys, spires and similar erections, shall be calculated on the estimated value thereof at the rate of R20 for every R500-00 or part thereof, with a minimum charge of R500-00 and a maximum charge of R5 000-00.
4. Building plans for swimming pools will be approved at a charge of R260-00 per plan (Old tariff R250-00).
5. Charges payable for the re-inspection of buildings and swimming pools: R400-00 per re-inspection (Old tariff R370-00).
6. Town maps: R200-00 per copy (Old tariff R190-00).

BURIAL SERVICE: TZANEEN COST CENTRE

That in terms of the provision of Section 11 (3) of the Local Government Municipal System Act 2000 the Council by resolution amends the charges payable for burial services promulgated under Municipal Notice 63/1996 of 18 October 1996 as set out in the under mentioned schedule with effect from 1 July 2013:

SCHEDULE

TARIFF OF CHARGES: BURIAL SERVICES: TZANEEN

1. When the deceased lived in the municipal area at the time of the passing:

Burial: Mondays to Fridays (08H00 to 17H00)

1.1 Per grave for any person under 12 years: R375-00
(Old tariff R352-00)

1.2 Per grave for any person 12 years and over: R677-00
(Old tariff R638-00)

1.3 Opening for second burial: R410-00
(Old tariff R385-00)

2. When the deceased lived outside the municipal area at the time of the passing:

Burial: Mondays to Fridays (08H00 to 17H00)

2.1 Per grave for any person under 12 years: R1 056-00
(Old tariff R1 056-00)

2.2 Per grave for any person 12 years and over: R2 112-00
(Old tariff R2 112-00)

2.3 Opening for second burial: R1 120-00
(Old tariff R1 056-00)

3. Niches: Per niche per deceased R450-00
(Old tariff R400-00)

4. Memorial work: Removal or re-affixing to per memorial work R260-00
(Old tariff R243-00)
3. Removal of ashes from a niche: Per removal R260-00
(Old tariff R243-00)

SCHEDULE

ELECTRICAL CHARGES

That in terms of the provision of Section 11 (3) of the Local Government Municipal System Act 2000, the Council by resolution amends the charges payable for the supply of electricity as contained in Municipal Notice 19 of 1988, with effect from 1 July 2013 by the addition in part (iii) after clause (2) of the following:

TESTING OF METERS

	<u>OLD TARIFF</u>	<u>NEW TARIFF</u>
I Rural	R2 000.00	R2 000.00
II Town	R1 400.00	R1 400.00

DETERMINATION OF CHARGES PAYABLE IN TERMS OF THE PROVISIONS OF THE TOWN PLANNING AND TOWNSHIPS ORDINANCE, NO. 15 OF 1986

Notice is hereby given in terms of the provisions of Section 11 (3) of the Local Government Municipal Systems Act 2000, that the Greater Tzaneen Municipality has by resolution determined charges payable in terms of the provisions of the Town Planning and Townships Ordinance, 1986 (No.15 of 1986), with effect from 1 July 2013 as set out in the Schedule below:

CHARGES PAYABLE TO LOCAL AUTHORITIES IN TERMS OF THE PROVISIONS OF THE TOWN-PLANNING AND TOWNSHIPS ORDINANCE 1986 (NO. 15 OF 1986).

FEES EXCLUDING ADVERTISEMENT AND INSPECTION

	<u>OLD TARIFF</u>	<u>NEW TARIFF</u>
i Application for consent	R1 250.00	R1 375.00
ii Application for amendment of interim scheme	R1 375.00	R1 500.00

iii	Application for amendment of Town Planning Scheme	R2 750.00	R3 000.00
iv	Application for establishment of a township or land development area (DFA)	R5 000.00	R5 500.00
v	Application for removal of restrictive conditions in Title Deeds and/or amendment of Town Planning Scheme.	R2 750.00	R3 000.00
vi	Application for extension of boundaries of an approved township i.t.o. Section 88 (1) of Town Planning and Townships Ordinance, 15 of 1986	R2 750.00	R3 000.00
vii	Application for subdivision for property in 5 or less portions (Section 92 (1) (a) of Ordinance 15 of 1986 Regulation 293 and Regulation 188	R1 540.00	R1 700.00
viii	Application for subdivision for property in more than 5 portions (Section 92 (1) (a)) Ordinance 15 of 1986 Regulation 293 and 188	R1 650.00 for the first 5 portions plus R145 in respect of each further portion	R1 800.00 for the first 5 portions plus R160.00 in respect of each further portion
viii	Application for consolidation of properties	R620.00	R680.00
x	Application for other uses than residential on traditional land	R100.00	R110.00
xi	Application for Council's reasons and written consent	R520.00	R570.00
xii	Reimbursement of Chairpersons of Townships Advisory		

	Committee established in terms of Section 59 or Ordinance 40 of 1960	R825.00/d	R900.00/d
xiii	Comments of Council regarding applications in terms of Act 21/1940 Act 70/1970 permit rights and recommendation of layouts to R293.	R1 540.00	R1 700.00
ix	Comments of Council on application i.t.o. Act 70/1970	R1 540.00	R1 700.00
xv	Amendment of pending division application – Section 17(3), Division of Land Ordinance, 1986	R1 320.00	R1 450.00
xvi	Amendment of pending Township application – Section 96, Town planning and Townships Ordinances, 15 of 1986		
	• Amendment not material	R1 320.00	R1 450.00
	• Material amendment	R4 400.00	R4 840.00
xvii	Phasing of Township Application – Section 99, Town Planning and Township Ordinance, 15 of 1986	R1 320.00	R1 450.00
xviii	Consideration of a Site Development Plan Tzaneen Town Planning Scheme, 2000	R1 320.00	R1 450.00
Xix	Application for extension of time –		
	All applications	R 660.00	R 720.00
	1 st Application (Year 1)	R 660.00	R 720.00
	2 nd Application (Year 2)	R1 320.00	R1 450.00
	3 rd Application (Year 3)	R1 980.00	R2 175.00

ADVERTISEMENT AND INSPECTION FEES

Apart from the fees prescribed in Section A, the following fees shall be payable to the Local Authority:

	<u>OLD TARIFF</u>	<u>NEW TARIFF</u>
1. Notice of application in Provincial Gazette and Newspapers	R2 860.00	R3 140.00
2. Inspection and hearing regarding any application	R1 250.00	R1 375.00

ALLOCATION AND RATES FOR HAWKERS BUSINESSES

<u>Site Allocation</u>	<u>Type of Business</u>	<u>Rates</u>
Market Stall	Hairdressing	R10/d
	Food and Soft drinks	R20/d
	Fruit and Vegetables	R10/d
	Accessories and other Appliances (Cell/ Jeweler/hair/books)	R10/d
	Clothing	R20/d
Pavements/Sidewalks	Fruit and Vegetables	R5/d
	Accessories (Cell/Jewelery/Hair)	R5/d
	Clothing and Toys	R10/d
Trolleys/Designated Cart	Food and Soft drinks	R10/d
	Accessories	R5/d
	Fruit and Vegetables	R5/d
Junction/Road side	Food and Soft drinks	R10/d
	Fruit and Vegetables	R10/d
	Décor materials (flower pots/flowers, etc.)	R10/d
Open designated site Hawkers fee centre of town		R 40.00

Adv. of Board handling fee	R 500.00
Adv. Board Approval fee	R 500.00
Hawkers Bush Mechanics	R 500.00
Hawkers Car wash	R 500.00
Taxi & Busses	R1 000.00

REVENUE

Refer to drawer cheques (R/D) – Admin Fee
Current R164.00 and Proposed R175.00

Unpaid debit orders – Admin fee
Current R164.00 and Proposed R175.00

Supply of information (faxes)
Current R7.00 and Proposed R8.00

Supply of Duplicate statements
Current R7.00 and Proposed R8.00

Furnishing of Clearance Certificate
Current R40.00 and Proposed R60.00

Furnishing of Valuation Certificate
Current R60.00 and Proposed R100.00

Furnishing of Duplicate Clearance Certificate
Current R25.00 and Proposed R40.00

Applying for Clearance Figures
Current R20.00 and proposed R50.00

Final reading levy
Current R40.00 and Proposed R50.00

Credit Control Action – Final Demand Notice
Current R36.00 and Proposed R40.00

Credit Control Action – SMS Notification
Current R5.00 and Proposed R5.00

Copy of the Valuation Roll
Current R750.00 and Proposed R800.00

Minimum initial consumer deposits per category:

	CURRENT	PROPOSED
Flats with electricity only	R 600.00	R 630.00
Flats with electricity and water	R 700.00	R 720.00

Residential and agricultural properties:

Single phase	R 800.00	R 830.00
Three phase	R2 000.00	R2 200.00

Business:

Single phase	R2 000.00	R2 300.00
Three phase	R3 000.00	R3 200.00

Minimum deposit adjustment for disconnected accounts	R 100.00	R 100.00
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Minimum deposit adjustment for dishonoured cheques and returned debit orders	R 100.00	R 100.00
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Threshold for indigent households to be equal to the pensioners allowance as promulgated every year.

All above tariffs are VAT excluded.

RENTAL OF UNIMPROVED PORTIONS OF THE FARM LETABA FLYING CLUB 512

Hanger number	Area/m²	Current Rental per Month	Proposed Rental per Month
1A	437	R726.84	R 784.99
1	118	R196.56	R 212.28
2	215	R357.48	R 386.08
3	660	R1 097.28	R1 185.06
4	225	R374.76	R 404.74
5	175	R291.60	R 314.93
6	123	Club Hanger	
7	137	R227.88	R 246.11
8	215	R357.48	R 386.08
9	283	R470.88	R 508.55
10A	207	R344.52	R 372.08
10	190	R316.44	R 341.76
11	215	R357.48	R 386.08
12	193	R320.76	R 346.42
13	483	R803.52	R 867.80
14	231	R384.48	R 415.24
15	473	R786.24	R 849.14
16	422	R702.00	R 758.16
23	204	R339.12	R 366.25
24	391	R650.16	R 702.17
28	123	R205.20	R 221.62
29	188	R313.20	R 338.26
Hanger: Pro Air	992	No Contract	
Main Building	298	R495.72	R 535.38

LANDING FEES

	CURRENT	PROPOSED
Single motor aircraft:	R 50 per landing	R 60 per landing
Double motor aircraft:	R100 per landing	R110 per landing
Helicopter:	R 30 per landing	R 40 per landing
Parking fees:	R 20 per night	R 25 per night

CLEANING OF STANDS

Cleaning of overgrown stands	R0.50c/m ²	R0.60c/m ²
Application for certificate of Acceptability		R150.00

CHARGES PAYABLE FOR THE USE OF THE PUBLIC LIBRARIES

Members of the Tzaneen Library	R65.00 or R150/family
Members of the Haenertsburg or Letsitele Libraries	R35.00 or R75/family
Deposit	R150,00 per person
Duplicate certificate of Membership	R10.00
Overdue Library material	R1,00 per book per day
Block loans	R150.00 per year plus membership of person responsible for block loan.

PHOTOCOPIES

A4 Photocopy	R0,50 per page
A3 Photocopy	R1,00 per page

Copies printed from the Internet and copies of documents created by library users:

Black & White	R5.00 per page
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RENT OF HALLS

Rent of the Tzaneen Library Study Hall (After hours)	R200.00 per day or part thereof
Rent of Haenertsburg Turner room	R100,00 per day or part thereof

LICENCING TARIFFS

Poster

With regard to posters the amount of R20.00 per advertisement of which R5.00 is refundable.

Election Posters

An once off payment of R600,00 per candidate/applicant per election and a R150,00 deposit which is refundable.

Pamphlets

An amount of R200.00 per applicant which is not refundable.

Advertisement – Properties

With regard to advertisement of the selling of properties, an amount of R600.00 per calendar year or any part thereof.

Banners

With regard to banners, an amount of R200.00 of which R125.00 is refundable.
Dog Tax

Application for dog tax (Licensing) R50,00 amount payable per dog.

AMENDMENT TO DETERMINATION OF CHARGES FOR THE FURNISHING OF INFORMATION AND DOCUMENTS

It is hereby notified in terms of Section 80B(8) of the Local Government Ordinance, 1939 (Ordinance 17 of 1939), read with Section 10G(7) of the Local Government Transition Act, 1993, read with Section 11 (3) of the Local Government Municipal Systems Act 2000, that the Greater Tzaneen Municipality has by special resolution further amended the charges payable for the furnishing of information and documents, contained in Municipal Notice no. 24 dated 29 July 1981, and published in Provincial Gazette, No. 4157 of 29 July 1981, with effect from 1 July 2013 as follows:

- a) Written information: for every folio of 150 words or part thereof:
R8,00
- b) Continuous search for information:
 - For the first hour R50,00

-	For every additional hour or part thereof	R28,00
c)	Photostatic Copies (per copy)	R0,75
d)	Faxes:	
i	Faxes received (per A4 copy)	R3,75
ii	Faxes dispatched (per A4 copy)	R3,75
e)	Duplicating Work:	
	Per folio	R0,35
	Per master	R0,35

BUDGET SPEECH BY THE MAYOR - 27 MARCH 2013

- HON SPEAKER
- HON MEMBERS OF THE EXECUTIVE COMMITTEE
- HON CHIEF WHIP OF THE RULING PARTY
- HON COUNCILLORS
- THE MUNICIPAL MANAGER
- DIRECTORS AND MANAGERS
- DISTINGUISHED REPRESENTATIVES FROM OUR TRADITIONAL LEADERSHIP
- REPRESENTATIVES FROM SISTER MUNICIPALITIES
- REPRESENTATIVES FROM SECTOR DEPARTMENTS AND STATE OWNED ENTERPRISES
- WARD SECRETARIES
- REPRESENTATIVE FROM NON GOVERNMENTAL ORGANISATIONS, THE GREATER TZANEEN MUNICIPALITY

Honourable Speaker, it is an honour to present the IDP and Medium Term Revenue and Expenditure budget to this council and members of the public.

We will be ignorant if we cannot acknowledge the contributions that one of our heroes in Africa, a Nigerian novelist, poet, professor and a critic has done to the people of Africa and South Africa in particular. Let's join countless others around the universe in celebrating the life of our global ambassadors, Professor Chimalumogu Achebe who died at the age of 82.

Section 152 of the Constitution of Republic of South Africa clearly indicates why local government was formed and that is:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner
- To promote social and economic development
- To promote a safe and healthy environment and to encourage the involvement of communities and community organisations in the matter of local government.

We have gathered here today precisely because we must do exactly what the constitution requires of us.

The ANC has during its 53rd conference held at Mangaung adopted the National Development Plan which forms the basis for our planning in all 3 spheres of government, Greater Tzaneen Municipality included.

Statistics South Africa has released census 2012 that gives all included statistics in South Africa and has been used in our Reviewed Integrated Development Plan. In terms of the recent statistics, the Greater Tzaneen Municipality has a total of 108926 households with a total population of 390 065.

- A total number of 14 503 of our people are unemployed, 46618 are not economically active whilst 4608 are discouraged work seekers.
- A total number of 160256 comprising 41% of the total population do not have any source of income and 45% earn an income of R 1 600.00 per month.
- 105 825 of the total households earn an income of between R1 to R 4800.00
- The stats SA Census 2011 also shows a further reduction in terms of schooling after Grade 12.

Hon. Speaker, the figures are not coming from the Greater Tzaneen Municipality but Stats SA and are official figures, recognised everywhere. We are in this together.

Honourable Speaker, looking back on the journey we travelled since 1994, we must be proud as a nation and as a municipality under the ANC for having built roads that connect our villages and towns thereby reducing unproductive time:

- Having provided electricity to all households in the Greater Tzaneen Municipality and that's confirming that we are only left with the new settlements.
- Having provided water and sanitation and thereby giving our communities the dignity they deserve.
- We have built transfer stations in all our clusters for increased refuse removal.

It will be wrong if we cannot say thank you to the democratic government that came into power in 1994 as opposed to the other previous government.

Hon Speaker, we must also confess that the two financial years 2012/2013 have characterised by the following challenges:

- Labour unrest which affected the delivery of sustainable services to our communities.
- Vacancies in terms of the filling of section 56/57 manager's positions.
- Municipality receiving a disclaimer audit opinion.
- Newspaper headlines that also suggested division in Council.
- Litigations that led to huge legal expenses and also hampering service delivery in that other projects were delayed.

Honourable Speaker, our African giant, King of literature, who is better known for his book (Things Fall Apart) said in one of his speeches that "The damage done in one year can sometimes take ten or twenty years to repair" who is that one if not, the late Professor Chinua Achebe.

Honourable Speaker, the Council approved the process plan that guided us on the long walk to this day in preparing both the IDP and the Budget and I am proud to indicate that yes the IDP has indeed informed the Budget.

"Hao Pogo Pedi Shakeng" Only one bull and that bull is the IDP.

I have already dealt with the analysis phase and let us be reminded about our vision which reads as follows:

"To be the most prosperous economy in the country where communities are integrated and have access to sustainable basic services".

In presenting the 2014 to 2016 Medium Term Revenue Expenditure framework (MTREF), we also need to be reminded of the words by Our President for Life who during his Inauguration Speech in May 1994 said "Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfil themselves".

Not Amakhosi for life, Honourable members.

Honourable Speaker, the Municipality has budgeted a revenue of R 3 048 375 260 over three year ending in 2016.

Of this amount, a total of R 1 670 928 415 (54.8%) is from own revenue and the rest is from Grant and Subsidies.

Service charges have been increased by an average of 6% with exception of electricity at 14, 4% and Property rates remain unchanged.

A new valuation roll will be implemented effective from 1 July 2013.

The total operation expenditure over the three year period amounts to R 2 740 285 072 with the following been major contributions.

- Employee costs
- Repairs and maintenance
- Bulk purchases
- Contracted Services

Honourable Speaker, in agreeing with Kofi Annan who said “Knowledge is power, education is the premise of progress in every society, in every family.”

A budget of R 400 000 has been allocated for Mayor’s Bursary fund to assist learners who passed grade 12 to gain entry to Institutions of higher learning.

In addressing the issue of unemployment, an allocation has been made to EPWP to create work opportunities.

Our people have spoken. Priorities were done and included in the IDP.

Mr Benedict Mongalo, a young man from Johannesburg wrote in his tips to Minister Pravin Gordhan that “We all acknowledge that unemployment; poverty and inequality are the greatest challenge facing our country, we will not eradicate this overnight. This is like manually moving a mountain and the only way to do it is to move one rock aside and the next generation, or next government will do the same until this mountain is moved.”

Honourable Members, with us we talk of next generation because the government we remain that of the ANC until.....

The municipality has a Capital budget of R 561 842 870 over three years. This Capital Budget is not for the Ward or cluster but for all Communities within the Greater Tzaneen Municipality. Let’s not individualize it, it is for us all.

Honourable Speaker, I am very excited to indicate that the Capital Budget addresses all objects of Local Government as listed in section 152 of the Constitution of the Republic of South Africa.

Amongst the major infrastructure projects under roads with a Total Budget of R 266 744 551 over three years are:

- Mafarana, Ntsako, Born to Sedan
- Thapane to Morutji
- Morutji to Kheshokholwe
- Rita, Khopo, Lefara, Zangoma to Berlin
- Tickyline, Myakayaka, Burgersdorp, Gavaza to Mafarana
- Nkowankowa Section C ring road.
- The Municipality will also be contracting low level bridges and speed humps.

A further budget of R 12 430 000 has been set aside for refurbishment and rehabilitation of existing roads in all the towns and townships of Greater Tzaneen Municipality.

A further allocation of R 66 723 736 has been put aside for both GTM and Eskom for electrification of Households. This amount Honourable members, excludes the allocation of Eskom for financial years 2015 and 2016.

Apollo lights have over the three years been allocated the amount of R 11 600 000 and this will results in 44 apollo lights been installed.

This council, Honourable Speaker has a vision of making Tzaneen a city by 2030. As a result, R 19 250 000 has been put aside for the purchase of land at Politsi and the areas between Nkowankowa and Tzaneen. Processes are also at an advanced stage for the construction of Letaba Mall, extension to Lifestyle Centre and the three

shopping complexes at Nkowankowa (Bindzulane), Nwamitwa and Ramotshinyadi. This will also ease traffic flow from both Tzaneen and Giyani towns, which in Giyani an average time taken to get in and out of town is 4 hours during Christmas and Easter holidays. Increased capacity will also be done for electricity infrastructure in Tzaneen town.

GTEDA must continue playing a meaningful role in making sure that this is realised. Honourable Speaker, with water and sanitation, we will continue to partner with Mopani District Municipality as the Water Service Authority to make sure that our people get what they deserve, and that is clean water and decent sanitation. In partnering with MDM, we will also be implementing sanitation to the value of R 13 000 000 over three years.

Honourable Speaker, 15% from the MIG allocation is meant for sports and recreation facilities. An amount of R32 000 000 has been set aside for the construction and the upgrading of the following:

- Community Hall at Relela Clusters
- Museum in Tzaneen
- Sport Complex at Runnymede Cluster
- Swimming Pool in Tzaneen
- Upgrading of both Lenyenye and Nkowankowa Stadium

In conclusion, please allow me to thank all who made this day possible, that is you Councillors, officials, Magoshi a rena, organised business, organised labour and everybody whom I forgot to mention. Let me not forget to wish our father a healthy and long life, we need you Tata, our President Nelson Mandela. I therefore present to you both the Reviewed IDP and Budget.

I THANK YOU.

COMMENTS BY THE POLITICAL PARTIES

Congress of the People (COPE): By Councillor A Makwela

- Councillor A Makwela expressed his satisfaction with the Budget presented by the Mayor DJ Mmetle. He further indicated that they need additional information to be included in the IDP.

Democratic Alliance (DA): By Councillor R Pohl

- Councillor R Pohl proposed that the Entertainment vote for the Department be cancelled and the Municipal Property Rates rates be decreased from 6% to 5%.
- Councillor R Pohl further indicated that a budget of R 400 000 that has been allocated for Mayor's Bursary fund to assist learners who passed grade 12 to gain entry to Institutions of higher learning be cancelled.
- Councillor R Pohl indicated that the DA has some challenges with some issues in the Budget documents.

African Christian Democratic Party (ACDP): By Councillor J Mothiba

- Councillor J Mothiba thanked the Speaker, Mayor and Executive committee for the opportunity, and indicated that the IDP and Budget are in order.
- Councillor J Mothiba expressed his appreciation for the effort taken when preparing and distributing the Budget to address the disadvantage communities.
- Councillor J Mothiba indicated that in future Council should look into integration the white sector in the Nkowankowa and Lenyenye area; he further indicated that as council we must have an integrated municipality.
- Councillor J Mothiba indicated that the people who will be implementing the IDP/Budget processes, must implement it responsibly for our community to get the quality of service they deserve.

African National Congress (ANC) by Councillor RM Shingange

- Councillor R Shingange congratulated the Mayor and the team for presenting the IDP and preliminary Budget for 2013/2014 financial year which is aligned to the ANC Manifesto by taking into consideration and making provision for.
- Education and Health, Fighting Crime, Creation of employment and fighting poverty and the issue of rural development.
 - Councillor R Shingange expressed his appreciation that the budget has considered the 5 key priorities as per the ANC's mandate by the installation

of 44 Apollo lights in the Rural Areas and the upgrading of connector road from Gravel to Tar

Note: The Pastor has requested to bless the IDP and Budget as approved by Council with a prayer.

Signature by the Mayor:

A 12 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE ON 2011/2012 ANNUAL REPORT

(E/C 2013 03 27; C 2013 03 27)

(12/2/3/1/1)

RESOLVED

- (a) That Council considers adopting the Municipal Public Accounts Committee Report based on the 2011/2012 Annual Report of the Greater Tzaneen Municipality.
- (b) That the GTM's 2011/12 Annual Report be approved with reservations as follows:
 - (i) .management unit and the appointment of the Asset Manager.
 - (ii) That the irregular expenditure of R905 914, 40 from the procurement be investigated and the outcome be tabled in the next Council sitting.
 - (iii) That an investigation be done on the funds reverted back to National Treasury and the outcome be tabled in the next Council sitting.
 - (iv) That as a temporary measure the Nkowankowa Sewer Plant be fenced to avoid unnecessary accidents.
 - (v) That investigation be conducted in the Claude Weatley and Sasekani to Nkowankowa Road legal battles and the outcome be presented at the next Council sitting.
 - (vi) That Management takes into cognizance the findings of the Auditor General and the Municipal Public Accounts Committee in the drafting the 2012/2013 Annual Report.
 - (vii) That the in-year performance reports should also be reflective of the improvements as a result of interventions done.

- (c) That Council notes the District wide session arranged by Mopani MPAC District Forum as proposed during the meeting held on 19th March 2013 at Giyani Conference Hall.
- (d) That Council approves the cost for the session as indicated on (c) above to be hosted at different locations.
- (e) That copy of the Annual Report, MPAC report and Minutes of meeting were the annual report was discussed be submitted to National and Provincial Treasury, Auditor General, COGHSTA and Office of the Premier.
- (f) That the process of installing the Electronic Device System in all Municipal Vehicles be done as a matter of urgency.
- (g) That skill audit be conducted in the municipality to determine whether all employees of Council have the necessary qualifications requirements.

A 13 SALARY DISPARITIES OF MANAGERS
(E/C 2013 03 27; 2013 03 27)

(PERSONNEL)

That the item be referred back.

ITEM 11.2 RECOMMENDATIONS OF THE EXECUTIVE COMMITTEE IN CONNECTION WITH MATTERS WHICH HAVE BEEN DEALT WITH IN TERMS OF DELEGATED AUTHORITY FOR THE PERIOD MARCH 2013.

The chairpersons of the relevant clusters informed the Council verbally of the recommendations of the Executive Committee taken by virtue of delegated powers and duties to the Executive Committee in terms of the provisions of Section 44 of the Local Government Municipal Structures Act 117 of 1998, which resolutions form part of the agenda of this meeting.

On proposal of the Mayor: Councillor DJ Mmetle, it was:

RESOLVED

That the contents of the resolutions taken by the Special Executive Committee for the period MARCH 2013 be APPROVED.

THE MEETING ADJOURNED AT 16H12

APPROVED AND CONFIRMED

CHAIRMAN